MULBERRY

ANNUAL REPORT AND ACCOUNTS

For the year ended
31 March 2013

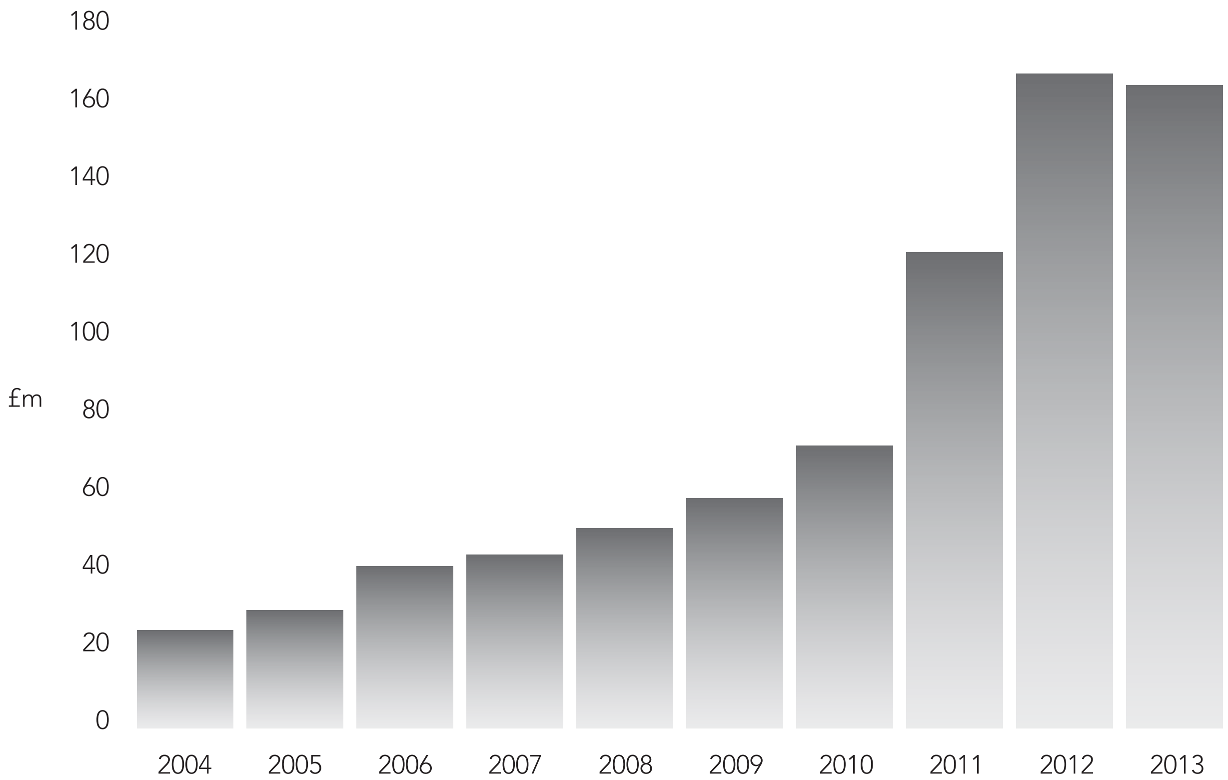
FINANCIAL HIGHLIGHTS

- Total revenue of £165.1 million (2012: £168.5 million)
  - Retail revenue up 8% to £107.2 million, up 6% like-for-like
  - Wholesale revenue down 16% to £57.9 million, reflecting European account rationalisation and destocking by Asian partners
- Profit before tax of £26.0 million (2012: £36.0 million), reflecting an investment in directly operated international stores and a contraction in gross margin
- Basic earnings per share of 32.2p (2012: 43.9p)
- Proposed dividend of 5.0p per share (2012: 5.0p per share)

OPERATING HIGHLIGHTS

- 17 new international stores opened, in line with plan
- Construction of second UK factory completed on 3 June 2013
- Enhanced product range including bags, small leather goods and men's accessories
- Established regional structure and invested in talent across the business

10 YEAR REVENUE



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Chairman’s statement

Year ended 31 March 2013

The 2012/13 financial year has been one of consolidation following three years of extremely rapid sales growth. Our own retail business, which is focused on the UK, Europe and the USA, has continued to grow in a challenging economic environment.

Our wholesale business has taken a step backwards due to the necessary rationalisation of our wholesale customer base, and a slow down of sales growth in Asia following very strong growth last year. Although this has resulted in a wholesale sales decline in the current year, the consolidation of our wholesale channel is an important step in preparing the foundations for future growth.

Total sales were 2% below last year, however Mulberry has achieved compound annual sales growth of 32% over the last three years. We continue to concentrate on taking the steps which we believe will deliver sales and profit growth over the longer term. The strong cash position and positive cashflow of the Group enable us to continue making the investments which will deliver this.

Earlier in the year, the Board approved management’s strategy to continue to develop the brand globally. This was outlined in our interim results announcement. The management team has made progress on implementing this strategy which, due to the seasonal nature of our business, will make an impact progressively during the 2013/14 financial year.

British craftsmanship, another key strategic theme, is something that we are immensely proud of at Mulberry and we are delighted to confirm the completion of our second factory in Somerset which will create 300 new jobs over the next year and double our UK production capacity. The intake of new employees started on 10 June.

We anticipate a challenging year ahead, but are confident that we have the right strategy for the Mulberry brand and are focused upon executing the strategy as effectively as possible and for the medium term benefit of shareholders.

I would like to thank Robin Gibson, who retired from the Group Board last month, for his significant contribution to Mulberry over 17 years as Non-Executive Director. We are pleased to welcome Christophe Cornu, Chief Commercial Officer of Nespresso, who joined the Board in May 2013 as a Non-Executive Director, bringing extensive luxury brand building experience.

Also, I would like to thank Emma Hill for her significant contribution to Mulberry. Emma will leave the Company in the autumn after five years as Creative Director. During the time that Emma has been the figurehead of the creative side of our business, she has worked with the rest of her management colleagues to build exceptional design and development teams who are capable of taking the brand forward.

We are committed to delivering consistent returns to our shareholders and we propose a final dividend of 5.0p per share, which is the same as last year.

Year ended 31 March 2013

Total revenue for the year to 31 March 2013 was £165.1 million, down 2% from £168.5 million in 2012, reflecting growth in retail sales offset by a decline in wholesale sales.

RETAIL

Our own stores and concessions saw continued growth with revenues up 8% to £107.2 million (2012: £99.7 million) and up 6% like-for-like. This was achieved against a backdrop of very strong growth last year of 36% and a challenging economic climate in the UK and Europe as well as a reduction in tourist spending in the London stores.

- UK retail sales were up 6% to £91.8 million (2012: £86.9 million);
- International retail sales were up 20% to £15.4 million (2012: £12.8 million). During the period we opened seven new directly operated stores in the USA, Germany and Switzerland;
- Online sales, which are included in the segments above, were up 21% to £17.6 million, accounting for 11% of Group sales (2012: 9%).

WHOLESALE

Wholesale revenue was down 16% to £57.9 million (2012: £68.8 million), reflecting two key factors:

- The quality of the European wholesale channel was improved through rationalisation of accounts; and
- A slowdown of demand in Asia following very strong sales over the last two years driven by certain key products. This resulted in a period of destocking and cautious re-ordering by our Asian franchise partners during the year to 31 March 2013.

Although these factors have resulted in lower wholesale sales this year, the steps that we are taking to improve the quality of the wholesale distribution network are expected to have a positive impact on both the retail and wholesale businesses in the future.

During the year we opened ten partner stores: a flagship store in Singapore, five stores in Korea, and one store in each of Shanghai, Beijing, Nagoya and Bahrain.

FINANCIAL

Gross margin was 63.3% for the year to 31 March 2013 (2012: 66.2%) due largely to a catch-up in product related overheads relative to sales which have normalised this year after rapid sales growth in the previous two years. In addition, gross margin was affected by higher raw materials costs which were not reflected in prices until November 2012.

Net operating expenses for the period increased by £2.9 million to £79.0 million (2012: £76.1 million). This includes £6.3 million additional costs related to new directly operated international stores offset by cost savings in other areas.

The Group had an effective tax rate of 28.2% for the year (2012: 29.7%) resulting in a tax charge of £7.3 million (2012: £10.7 million). We expect to see a decrease in the effective tax rate over the next two years in line with the announced reduction in UK corporation tax rates.

Due to the reduction in gross margin and the investment in directly operated international stores, profit before tax fell 28% to £26.0 million (2012: £36.0 million).

Capital expenditure for the period was £16.9 million, of which £8.8 million related to new stores, £4.4 million to factories and £2.9 million to investment in IT systems.

Inventories have increased to £35.7 million from £32.5 million at the start of the period partly reflecting new store openings but also lower sales than originally anticipated. Overall, the Group balance sheet remains strong with cash of £21.9 million at 31 March 2013 (2012: £27.3 million) and no debt.

The cash generated from operations for the year amounted to an inflow of £24.4 million (2012: inflow of £30.1 million).

Basic earnings per share for the year decreased by 27% to 32.2p (2012: 43.9p).

The Board is recommending the payment of a dividend on the ordinary shares of 5.0p per ordinary share (2012: 5.0p) which will be paid on 9 September 2013 to shareholders on the register on 16 August 2013.

STRATEGY

We have previously outlined Mulberry's four long term strategic themes and over the last 12 months we have taken the following steps:

1. Reinforce luxury positioning:

- Made in England: our second factory in Somerset, UK, was completed during June 2013, and it will double our UK production capacity; and
- Distribution: we opened retail stores in prime locations with an updated store concept and rationalised the wholesale distribution network in Europe.

2. International expansion:

We continue to focus on prime retail locations complemented by high quality wholesale accounts. During the year we:

- Improved our retail and franchise store network:
  - Opened seven directly operated stores and ten partner stores in prime retail locations, in line with our target of 15 to 20 stores per annum. This brings our global store footprint to 115 stores, including directly operated and partner stores;
  - Consolidated our Middle East franchise operations, appointing Chalhoub Group to operate our business in the region (excluding Qatar) and accelerating the store opening plans over the next two to three years; and
- Increased the quality of our multi-brand distribution network through a European account rationalisation, continuing to build and maintain strategic partnerships with key department store accounts.

3. Product development

A number of product development initiatives have been completed during the year which will launch with the AW13 collection in stores from June to September 2013. For example:

- In the women's bags category we have reinforced our core and entry level offerings under £1,000 with additional leather, colour and component offerings and the continued introduction of new styles. The price architecture of the offering has also been extended at the higher end of the Mulberry range, with the introduction of handbags priced between £1,000 and £1,700;
- We have increased the colour and style options for small leather goods, belts and fashion accessories; and
- The men's accessories category has been significantly reinforced, with a 50% increase in product lines for AW13 compared to AW12. Growth of this category is an area of opportunity for the brand, particularly in Asian markets.

4. Leverage operations to support growth

One of our key strategies is to maintain a balanced investment programme including new stores, factory facilities and IT systems. During the year to 31 March 2013 we invested in all three areas with £8.8 million in capital expenditure spent on stores, £4.4 million on our UK factories and £2.9 million on IT systems.

We have also enhanced the organisation structure with an investment in talent throughout the organisation and a move to regional reporting lines from 1 April 2013. Regional heads have been appointed for Europe and North America and the new structure is designed to bring consistency and co-ordination between the retail and wholesale channels and drive international growth through regional focus and accountability.

STRATEGY (continued)
During the year we completed a review of our supply chain. We have already implemented an improved wholesale ordering timetable and are now commencing a project for the implementation of a new integrated supply chain system which is expected to be completed during the financial year ending 31 March 2015.

While investing for future growth, we continue to carefully manage investments and costs throughout the business.

CREATIVE DIRECTOR
As previously announced, Emma Hill, our Creative Director, has informed the Company that she wishes to leave after a very successful period at Mulberry during which she has built a strong and talented creative team working for her. The main SS14 collection has been completed and Emma continues to work in the business finalising the SS catwalk collection which will be launched on 15 September 2013 during London Fashion Week. The timing of her departure is currently under discussion and has yet to be finalised.

CURRENT TRADING AND OUTLOOK
The outlook for both the retail and wholesale businesses for the year to 31 March 2014 remains challenging given Mulberry's heavy reliance upon the UK and European markets where the economic climate continues to be difficult.

The trading conditions in Mulberry's more developed domestic market highlight the importance of our international growth strategy. We continue to take the necessary steps to build our businesses in the USA and Asia, opening stores in prime retail locations and investing in marketing initiatives that highlight the brand's heritage and craftsmanship. The Asian customer is important globally as tourism continues to be a critical component of luxury sales, and we are particularly focused on raising our brand awareness in this market.

During the 10 weeks to 8 June 2013, total retail sales were 9% above the same period last year (like-for-like sales up 6%).

The wholesale order book for SS14 is building satisfactorily and we expect modest growth in wholesale sales for the year to 31 March 2014.

Since the year end we have opened directly operated stores in Berlin and Vienna and a partner store in Palma de Mallorca. We continue to target 15 to 20 new international store openings per annum, being a combination of both directly operated and partner stores.

Capital expenditure for the year to 31 March 2014 is expected to be in the order of £20.0 million, subject to the timing of new store openings and other investments. This continues to be funded from internally generated cashflow.

During the year to 31 March 2014 we will continue with our global expansion strategy, focusing on the transition of Mulberry from a UK success story into a global luxury brand.

Bruno Guillon
Chief Executive
12 June 2013

Directors, secretary and advisers

Year ended 31 March 2013

Directors:	Godfrey Pawle Davis FCA Bruno Daniel Thierry Guillon Roger Thomas Mather FCA Robert (Robin) Edward Graeme Gibson Andrew Christopher (Chris) Roberts FCCA Steven Grapstein CPA Bernard Lam Kong Heng Melissa Ong Christophe Olivier Cornu
Registered Office:	The Rookery Chilcompton Bath Somerset BA3 4EH
Company Secretary:	Kate Anthony Wilkinson LLB
Nominated Adviser:	Altium Capital Limited London
Nominated Broker:	Barclays Capital London
Registered Auditor:	Deloitte LLP Bristol
Solicitors:	Osborne Clarke Bristol
Principal Bankers:	HSBC Bank plc Bristol
Registrars:	Computershare Investor Services plc PO Box 82 The Pavilions Bridgwater Road Bristol BS99 7NH

The Company is listed on the Alternative Investment Market and is not required to comply with the provisions set out in the UK Combined Code. However, the Directors support the principles contained in these requirements and apply these where they consider they are appropriate to Mulberry Group plc.

THE BOARD OF DIRECTORS

At the start of the year the Board comprised of two Executive Directors and five Non-Executive Directors. On 25 April 2012, Bruno Gullion was appointed to the Board and on 30 June 2012, Godfrey Davis ceased to be an Executive Director and became the Board's Non-Executive Chairman. Post year end, Robin Gibson retired as Non-Executive Director and Christophe Cornu was appointed; as a result the Board currently comprises of two Executive Directors and six Non-Executive Directors. Further details of the Directors and the changes are set out in the Directors' report.

Following the appointment of Bruno Guillon on 25 April 2012, the roles of Chairman and Chief Executive are separate as recommended by the Combined Code. The Directors consider it important that the Board should include Non-Executive Directors who bring considerable knowledge and experience to the Board's deliberations.

The Board meets formally on a bi-monthly basis and is responsible inter alia for overall Group strategy, investments and capital projects and for ensuring that an appropriate framework of internal control is in place throughout the Group.

The Executive Directors are each employed under a contract of employment which can be terminated with one year's notice. The Non-Executive Directors provide their services under twelve month agreements renewed annually on 1 April. The Chairman's service agreement runs annually from June.

NOMINATIONS AND REMUNERATION COMMITTEE

Details of the composition and role of the Nominations and Remuneration Committee are provided in the separate Directors' remuneration report.

AUDIT COMMITTEE

The Audit Committee was chaired throughout the year by a Non-Executive Director, Chris Roberts, and the members of the Committee were Steven Grapstein, Bernard Heng, Melissa Ong and Robin Gibson. Post year end, Chris relinquished the role of Chairman and Steven Grapstein was appointed Chairman on 7 May 2013. The members of the Committee from 7 May 2013 were Chris Roberts and Christophe Cornu.

During the year all Directors have been encouraged to attend Audit Committee meetings where possible as part of the programme to maintain the Group's systems of internal control. The Committee may examine any matters relating to the financial affairs of the Group. This includes the review of the annual financial statements, the interim financial statements and other financial announcements, prior to their approval by the Board, together with accounting policies and compliance with accounting standards, and of internal control procedures and monthly financial reporting, and other related functions as the Committee may require. The Non-Executive Directors have access to the Group's auditor and legal advisers at any time without the Executive Directors being present.

INTERNAL FINANCIAL CONTROL

The Board has overall responsibility for the Group's systems of internal financial control and for monitoring their effectiveness.

The Directors place considerable importance on maintaining full control and direction over appropriate strategic, financial, organisational and compliance issues, and have put in place an organisational structure with formally defined lines of responsibility and delegation of authority. There are established procedures for planning and capital expenditure, for information and reporting systems and for monitoring the Group's business and its performance. Adherence to specified procedures is required at all times and the Board actively promotes a culture of quality and integrity. Compliance is monitored by the Directors.

The Board is also responsible for the Group's system of internal control and for reviewing its effectiveness. Such a system is designed to manage rather than eliminate the risk of failure to achieve business objectives, and can only provide reasonable and not absolute assurance against material misstatement or loss. This includes comprehensive budgeting systems with an annual budget approved by the Board, monthly consideration of actual operational results compared with budgets, forecasts and regular reviews by the Board of year end forecasts. The Board reports to shareholders half-yearly.

The Group's control systems address key business and financial risks. Matters arising are reviewed on a regular basis. Performance indicators are reviewed at least monthly to assess progress towards objectives. Variances from approved plans are followed up vigorously.

Mulberry Group plc is listed on the Alternative Investment Market and therefore is not required to prepare a Directors' remuneration report. The following narrative disclosures are prepared on a voluntary basis and are not subject to audit.

During the year, the Nominations and Remuneration Committee comprised:

- Robin Gibson (Chairman and Non-Executive Director)
- Chris Roberts (Non-Executive Director)
- Steven Grapstein (Non-Executive Director)
- Bernard Heng (Non-Executive Director)
- Melissa Ong (Non-Executive Director)
- Godfrey Davis (Non-Executive Director)

Godfrey Davis was appointed to the Committee on 1 July 2012. Subsequent to the year end on 7 May 2013 Robin Gibson resigned as a Director and Chairman of this Committee. Chris Roberts was appointed as Chairman on 7 May 2013.

The Committee is responsible for nominating Directors to the Board and then determining the remuneration and terms and conditions of employment of Directors and senior employees of the Group. During the year the Committee used an Executive Search company to identify the replacement for Robin Gibson.

The Committee meets at least once a year in order to consider and set the annual salaries for Executive Directors. Executive Directors' salaries are reviewed on 31 March each year, along with the remuneration of all other Group employees.

REMUNERATION OF NON-EXECUTIVE DIRECTORS

The Non-Executive Directors each receive a fee for their services, which is agreed by the Board taking into account the role to be undertaken. They do not receive any pension or other benefits from the Company apart from a small allowance of Mulberry products, nor do they participate in any of the share option or bonus schemes. As an exception, on becoming Non-Executive Chairman in June 2012, Godfrey Davis retained his vested and unvested options and share awards as they were granted to him whilst he was Chief Executive. No new options or share awards will be issued to him. In the previous year, due to the additional time spent on the recruitment of the new Chief Executive, additional fees were awarded to the Non-Executive Directors as a one off.

The Non-Executive Directors are appointed for a twelve month term.

REMUNERATION POLICY FOR EXECUTIVE DIRECTORS

The Company's remuneration policy for Executive Directors considers a number of factors and is designed to:

- have regard to the Director's experience and the nature and complexity of their work in order to pay a competitive salary, consistent to comparable companies, that attracts and retains Directors of the highest quality;
- reflect the Director's personal performance;
- link individual remuneration packages to the Group's long term performance and continued success of the Group through the award of annual bonuses and share-based incentive schemes;
- provide post-retirement benefits through contributions to individual's pension schemes; and
- provide employment-related benefits including the provision of a company car or cash alternative, life assurance, insurance relating to the Director's duties, housing allowance, medical insurance and permanent health insurance.

SALARIES, BONUSES AND OTHER INCENTIVE SCHEMES

Each Executive Director receives a base salary, an annual bonus and a long term incentive. Typically, the annual bonus will not exceed 100% of the annual salary. During 2012, the Nominations and Remuneration Committee has reviewed the bonus and long term incentive schemes to ensure that these continue to align the interests of management and shareholders, reflect job responsibility, the level of individual performance against objectives, overall Group performance and are in line with the market. As a result a Long Term Incentive Plan ('LTIP') was introduced in December 2012. The LTIP is designed to align management and shareholders' interests through rewarding participants for growth in Mulberry's revenue and earnings before interest and tax ('EBIT') above specified thresholds over the vesting period. The performance conditions will be based 50% on revenue growth and 50% on EBIT growth, in comparison to targets set in the Group's 5 Year Strategic plan, which is updated annually. The vesting period is typically three years from date of grant with a further five years post vesting in which to exercise. This will be the primary long term incentive scheme going forward. The Committee will supervise the scheme and make awards under its terms, ensuring that these are in line with the market.

There are three earlier long term incentive arrangements which were superseded by the LTIP described above. These were as follows:

- an unapproved share option scheme which was introduced in April 2008. Options granted in this scheme vest after three years.
- a Deferred Bonus Plan which represents a long term award scheme where participants receive all or part of their annual bonus in shares. These shares are held as deferred shares in the Mulberry Group Plc Employee Share Trust for a vesting period of two years. Matching shares are then granted and vest after a period of two years conditional upon the participant remaining an employee of the Group and the original deferred shares remaining in the Trust.
- a Co-ownership Equity Incentive Plan where participants are granted an interest in shares which are co-owned by the Mulberry Group Plc Employee Share Trust and participate in the value to the extent that the Mulberry share price exceeds 20% above the market price at the date of grant. The vesting period is generally three years, after which the employee has the right to sell the beneficial interest in the shares. This plan was established in August 2009.

The following information is required by the Companies Act and is subject to audit.

	Basic salary/ fees £'000	Bonus £'000	Taxable benefits £'000	Pension contribu- tions £'000	2013 Total £'000	2012 Total £'000
Executive Directors						
Bruno Guillon(1)	570	125	62	50	807	890
Roger Mather(2)	275	68	24	39	406	472
Non-Executive Directors						
Godfrey Davis	241	–	30	–	271	657
Chris Roberts	50	–	1	–	51	76
Steven Grapstein	50	–	–	–	50	75
Bernard Heng	50	–	1	–	51	76
Melissa Ong	40	–	–	–	40	35
Previous Directors						
Robin Gibson(3)	50	–	1	–	51	76
Total	1,326	193	119	89	1,727	2,357

Notes:

(1) During March 2012, a bonus of £836,000 was awarded to Bruno Guillon in order to enable him to purchase his share of the jointly owned shares held under the Co-ownership Equity Incentive Plan (see Section c below for details of the grant made on joining the Group in 2012).

SALARIES, BONUSES AND OTHER INCENTIVE SCHEMES (continued)

(2) During 2012, half of the bonus awarded to Roger Mather (£100,000) has been awarded in deferred shares under the Deferred Bonus Plan. The post-tax element of this cost is being charged to the Income Statement over a three year period (being the length of service to which the award relates). An expense of £16,000 has been recognised for this half of his bonus in respect of the year ended 31 March 2013 (2012: £67,000).

(3) Robin Gibson resigned from the Board on 7 May 2013.

The emoluments disclosed above do not include any amounts for the value of share options or share awards granted to or held by the Directors. These are detailed as follows:

a) Options granted under the 2008 unapproved share option scheme

	31 March 2012	Granted	Exercised	31 March 2013	Exercise price (£)	Date of exercise	Market price on exercise (£)
Godfrey Davis	90,000	–	–	90,000	1.445	–	–

The outstanding options are exercisable between 25 July 2011 and 25 July 2018. The market price of the shares on the date of the award was £1.44½.

b) Matching shares granted under the Deferred Bonus Plan

	31 March 2012	Granted	Exercised	31 March 2013	Exercise price (£)	Date of exercise	Market price on exercise (£)
Godfrey Davis	29,367	–	–	29,367	Nil	–	–
Roger Mather	26,964	3,253	–	30,217	Nil	–	–

The matching shares vest between 30 June 2012 and 30 June 2014. Each of the matching shares relates to vested and unvested shares held in the Mulberry Group Plc Employee Share Trust.

c) Jointly owned shares under the Co-ownership Equity Incentive Plan

	31 March 2012	Granted	Exercised	Forfeited	31 March 2013	Exercise price (£)
Godfrey Davis	300,000	–	–	–	300,000	1.458
Roger Mather	250,000	–	–	–	250,000	1.458
Bruno Guillon	200,670	–	–	–	200,670	23.02

For the awards held by Godfrey Davis and Roger Mather, the right to exercise their interest in the shares vested on 9 October 2012 and remain exercisable until 9 October 2019. The market price of these shares at the date of the award was £1.21½.

For Bruno Guillon, the beneficial interest will vest in three equal tranches on 6 March 2014, 6 March 2015 and 6 March 2016 respectively and remain exercisable for ten years from the date of grant. The market price of the shares on the date of the award was £18.89½.

d) Options granted under the Long Term Incentive Plan

	31 March 2012	Granted	Exercised	31 March 2013	Exercise price (£)	Market price on grant (£)
Bruno Guillon	–	83,964	–	83,964	Nil	11.63
Roger Mather	–	23,090	–	23,090	Nil	11.63

The options granted to Bruno Guillon are exercisable between 1 July 2014 and 1 July 2019. The options will vest based upon the performance of the Group during the year ended 31 March 2014. 50% of the shares will vest if the revenue target is met and 50% if the EBIT target is met.

The options granted to Roger Mather are exercisable between 1 July 2015 and 1 July 2020. The options will vest based upon the performance of the Group during the year ended 31 March 2015. 20% of the options will vest if a minimum threshold is met and then this increases on a straight-line pro rata basis until the maximum threshold is met. 50% of the shares will vest if the revenue target is met and 50% if the EBIT target is met.

Share price information

The market price of Mulberry Group plc ordinary shares at 31 March 2013 was £9.81 (2012: £20.04) and the range during the year was £9.70 to £24.72 (2012: £12.95 to £20.04).

The Directors present their report on the affairs of the Group, together with the financial statements and independent auditor's report, for the year ended 31 March 2013.

BUSINESS REVIEW AND PRINCIPAL ACTIVITIES

The Group's principal activities are the design and manufacture or sourcing of luxury accessories, clothing and footwear and their subsequent sale through wholesale channels or the Group's own stores and concessions in home and export markets. There have not been any significant changes in these activities during the year under review. The Directors are not aware, at the date of this report, of any likely major changes in the Group's activities during the next year.

The Company's principal activity is that of a holding company.

The Group continues to invest in design and development in order to develop and market accessory, clothing and footwear collections for Spring/Summer and Autumn/Winter each year. This results in the continuous introduction of new products and updates to existing products. The Directors regard this investment in design and product development as necessary for continuing success in the medium to long term.

The Chairman's statement and Business review provide a review of the business for the year and future developments.

PRINCIPAL RISKS AND UNCERTAINTIES

The management of the business and the execution of the Group's growth strategies are subject to a number of risks which could adversely affect the Group's future development. The principal risks are listed below:

- **Economic climate.** During the current year, the Group has shown continued resilience to the wider global economic climate but any further deterioration could affect sales both in the UK and internationally. A significant amount of Mulberry sales are generated in the UK. As a result, a decline in the UK economy that reduced consumer spending on luxury goods could materially affect trading results. The Group's continuing strategy to increase the penetration of international markets is expected to reduce the impact of this risk over time. The impact on current trading is discussed further in the Business review.
- **Currency risk.** The Group's sales and purchases are made in Sterling, Euros and US Dollars and so it is exposed to the movement in the Euro and the US Dollar to Sterling exchange rates. The Group manages this risk by, wherever possible, building a natural hedge of Euro and US Dollar denominated sales and purchases whereby the inflows and outflows of Euros and US Dollars are roughly equal. If significant currency positions were to develop, forward foreign exchange contracts would be used to mitigate the exposure. In particular, with the current uncertainty in Europe and the potential impact on the Euro, possible risk of sovereign default and banking instability, the Group is continuing to monitor the situation closely and ensure that risk is mitigated where possible. This includes only depositing funds with large financial institutions and minimising any Euro exposures. A very small part of the business is in the countries at the centre of the Euro crises.
- **Competition.** Competitive pressures, changes in luxury fashion and hence consumer demand are continuing risks which could result in the loss of sales. The Group manages this risk by the continuous investment in the design of new products and marketing to stimulate customer interest and by maintaining strong relationships with customers.
- **Loss of people.** The risk of the loss of key personnel is mitigated by regular reviews of remuneration packages (including long term incentive schemes) and succession planning within the management team.
- **Trademarks.** As with all brands, the Group is exposed to risk from unauthorised use of the Group's trademarks and other intellectual property. These are not included on the balance sheet but any infringement could lead to a loss in profits and have a negative impact on image and continued success. Trademarks are registered and where any infringements are identified, appropriate legal action is taken.
- **New production facilities.** With the new UK factory opening in the summer of 2013, and the potential for more factories being identified in the future, there is a risk that if the Group is not able to train the staff and establish 'normal' operating efficiency as quickly as possible that the gross margin will be diluted. This is being managed through the preparation of a detailed training plan, phased recruitment of new joiners and the transfer of some highly experienced operatives and management to the new site.

- **Terrorist activity.** A major terrorist attack, particularly in central London, could seriously affect the Group's operations, as would a fire or significant disruption to the Group's warehouse. The Group has developed a business continuity plan to mitigate the impact, as well as making sure that adequate insurance is in place.
- **Systems.** The Group continues to engage in a substantial programme of change. Over the next year, the Group plans to complete the implementation of a new internet platform and introduction of a Retail EPOS system throughout its stores. If these projects were to be unsuccessful, it could have an impact on operations. Senior management involvement and significant pre-implementation testing are part of the carefully designed project to minimise the risks of the roll-out.
- **Cash.** The management of cash is of fundamental importance. The decrease in cash in the year reflects the capital expenditure programme being undertaken to open new international stores and the investment in the new factory. At the year end the Group had a cash balance of £21.9 million (2012: £27.3 million). As discussed in the Business review, the Group has agreed various capital expenditure plans for the coming year which will be financed by the Group's operating cash flow. The Group currently has no debt but nonetheless has arranged facilities of £2.0 million (including £2.0 million of a multi-currency overdraft facility). These banking facilities are in place until 31 May 2014. As such, the Group is on a firm financial footing and confident of its ability to continue as a going concern.

GOING CONCERN

The Group's business activities, together with the factors likely to affect its future development, performance and financial position are given in the Chairman's statement, Business review and Directors' report. In addition, the notes to the consolidated financial statements include details on the Company's borrowing facilities and the Company's objectives, policies and processes for managing its capital; its financial risk management objectives; and its exposures to credit risk and liquidity risk.

The Group has considerable financial resources together with a customer base split across different geographic areas and between directly operated stores, partner stores and wholesale accounts. The Group's forecasts and projections, taking account of reasonably possible changes in trading performance, show that the Group should be able to operate within the level of its current facility. As a consequence, the Directors believe that the Group is well placed to manage its business risks successfully despite the uncertain economic outlook.

The Directors have, at the time of approving the financial statements, a reasonable expectation that the Company and the Group have adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing the Annual Report and financial statements.

RESULTS AND DIVIDENDS

The results for the year are set out in the Consolidated income statement. The Directors are recommending the payment of a final dividend of 5.0p per ordinary share (2012: 5.0p), to be paid on 9 September 2013 to ordinary shareholders on the register on 16 August 2013.

TREASURY AND FOREIGN EXCHANGE

The Group has continued a policy of balancing its currency exchange exposures which arise through normal trading. This is achieved through the natural hedge which exists, in which the total inflows and outflows generated from normal trading, principally in the Euro and US Dollar, are balanced to similar levels. This minimises the potential impact on the Group of movements in exchange rates.

Where necessary the Group would enter into forward foreign exchange contracts to manage the currency risks arising from the Group's operations and its sources of finance not covered by the natural hedge. There were no open forward foreign exchange contracts at the year end and none were undertaken during the year.

The Group's financial instruments, other than derivatives, comprise cash and liquid resources and items such as trade receivables and trade payables that arise directly from its operations.

DIRECTORS AND THEIR INTERESTS

The Directors who served during the year and subsequently are shown below.

Executive Directors

Bruno Guillon, 47, joined the Group as Chief Executive on 1 March 2012 and was appointed to the Board on 25 April 2012. Bruno joined Mulberry from Hermès Sellier SARL where he was Managing Director of French subsidiary Hermès France, a position he held for four years. He joined Hermès in 2001, having previously worked at LVMH and Nina Ricci.

Roger Mather FCA, 48, is the Group Finance Director. He is a fellow of the Institute of Chartered Accountants in England and Wales having trained professionally with Price Waterhouse. He joined Mulberry during November 2007 after spending the previous 10 years in senior finance and commercial roles within the multi-national Otto Group based both in Hong Kong and the UK. He was appointed as a Director on 7 May 2008.

Non-Executive Directors

Godfrey Davis FCA, 64, is Non-Executive Chairman, having relinquished his executive position on 30 June 2012. He is a fellow of the Institute of Chartered Accountants in England and Wales and joined Mulberry as Group Finance Director in 1987 after 15 years at Arthur Andersen, where he was an international partner. He became Chairman and Chief Executive in November 2002. He is also a director of Hestercombe Gardens Limited, a Trustee of Hestercombe Gardens Trust and a director of Woodard Schools (Taunton) Limited.

Andrew Christopher Roberts FCCA, 49, was Chairman of the Audit Committee until 7 May 2013 when he then became Chairman of the Nominations and Remuneration Committee. He was appointed to the Board on 6 June 2002. He is a fellow of the Chartered Association of Certified Accountants. He is a director of Como Holdings (UK) Ltd, which has retail, hotel and real estate operations in the UK and was formerly finance director of an AIM listed financial services group. Como Holdings (UK) Ltd is a company ultimately owned by Mr Ong Beng Seng and Mrs Christina Ong.

Steven Grapstein CPA, 55, was appointed on 17 November 2003 and was appointed as Chairman of the Audit Committee on 7 May 2013. He is presently the Chief Executive Officer of Como Holdings USA Inc., an international investment group with extensive interests in the retail and hotel industries; Chairman of Presidio International dba A/X Armani Exchange, a fashion retail company, and serves as Chairman of the Board of Directors of Tesoro Petroleum Corporation, a US publicly held Fortune150 company engaged in the oil and gas industry. Como Holdings USA Inc. is ultimately owned by, and Presidio International is 50% owned by, Mr Ong Beng Seng.

Bernard Lam Kong Heng, 67, was appointed on 17 November 2003. He is presently the Chief Executive of Como Holdings (UK) Ltd, a company which has extensive retail, hotel and real estate operations in the UK and internationally and is a director of various Como UK related companies. Como Holdings (UK) Ltd is a company ultimately owned by Mr Ong Beng Seng and Mrs Christina Ong.

Melissa Ong, 39, was appointed on 7 September 2010. She is also a director of Club 21 (Singapore) Pte Ltd, which is ultimately owned by Mr Ong Beng Seng and Mrs Christina Ong, and a director of Will Focus Ltd.

Robin Gibson, 71, was Chairman of the Nominations and Remuneration Committee. He was appointed on 1 May 1996 and retired as a Director on 7 May 2013.

Christophe Cornu, 49, was appointed on 7 May 2013 and is an independent director. He is Chief Commercial Officer for Nestle Nespresso SA, a specialist in high quality portioned premium coffee and is a director of Nespresso France SARL, Nespresso Italiana SPA and Nestle Nespresso Beijing Ltd.

Directors' beneficial interests in the shares of the Company at year end were as follows:

	5p Ordinary Shares 2013	5p Ordinary Shares 2012
Godfrey Davis	713,490	689,160
Roger Mather	32,166	13,538
Robin Gibson	7,029	7,029

Subsequent to year end, Steven Grapstein acquired 10,000 ordinary shares of 5p each: 5,000 on 5 April 2013 and a further 5,000 on 8 April 2013. Melissa Ong acquired 10,000 ordinary shares of 5p each on 11 April 2013. Melissa Ong is the daughter of Mr Ong Beng Seng and Mrs Christina Ong, who together are beneficially interested in 56.14% of the Company's total voting rights.

On 1 October 2012 Godfrey Davis entered into a loan agreement whereby 125,000 ordinary shares held by him were pledged as security in favour of Barclays Bank PLC. This pledge was released on 22 May 2013.

The other Directors had no interests in the shares of the Company. Details of Directors' share options, share awards (including jointly owned shares issued under the Co-ownership Equity Incentive Plan) and other interests in shares are disclosed in the Directors' remuneration report.

SUBSTANTIAL SHAREHOLDINGS

At 12 June 2013 the Company had been notified of the following interests of 3% or more of the share capital of the Company, other than those of the Directors above:

- Challice Limited – 56.14%
- Banque Havilland SA – 24.38%

SUPPLIER PAYMENT POLICY

The Company's current policy concerning the payment of its suppliers is to:

- settle the terms of payment with those suppliers when agreeing the terms of each transaction;
- ensure that those suppliers are made aware of the terms of payment; and
- abide by the terms of payment, subject to the terms and conditions being met by the supplier.

The Group uses its cash resources to take advantage of early payment terms with suppliers. As such, for Mulberry Company (Design) Limited, the main purchasing subsidiary, its average payment time was 15 days (2012: 20 days). As the Company does not trade, at the year end trade creditors expressed as a number of days purchases outstanding was nil (2012: nil).

CORPORATE SOCIAL RESPONSIBILITY

The Group's approach is to make a positive difference to the people, environment and communities in which it works. For example, it ensures that suppliers adhere to the Global Sourcing Principles and therefore create the right environment for their workers. All packaging has been revised and this is a continuous process to identify other ways to reduce waste and the impact on the environment. In 2006 an apprenticeship programme started in the main factory which has been extremely successful and is complemented by the investment in graduate internships and training for NVQ qualifications within the retail and production sites.

EQUAL OPPORTUNITIES

The Group is committed to an active equal opportunities policy. It is the Group's policy to promote an environment free from discrimination, harassment and victimisation, where everyone will receive equal treatment regardless of gender, colour, ethnic or national origin, disability, age, marital status, sexual orientation or religion. Employment practices are applied which are fair, equitable and consistent with the skills and abilities of our employees and the needs of the business.

DISABLED EMPLOYEES

Applications for employment by disabled persons are always fully considered, bearing in mind the aptitudes of the applicant concerned. In the event of members of staff becoming disabled, every effort is made to ensure that their employment with the Group continues and that appropriate training is arranged. It is the policy of the Group that the training, career development and promotion of disabled persons should, as far as possible, be identical with that of other employees.

EMPLOYEE CONSULTATION

The Group places considerable value on the involvement of its employees and has continued its previous practice of keeping them informed on matters affecting them as employees and on the various factors affecting the performance of the Group, which is achieved through formal and informal meetings. Employee representatives are consulted regularly on a wide range of matters affecting their current and future interests. Employee Committees have been established at each of our main sites.

CHARITABLE AND POLITICAL DONATIONS

The Group made charitable donations of £23,000 (2012: £30,000) during the year. The Group made no political donations.

AUDITOR

In the case of each of the persons who are Directors of the Company at the date when this report was approved:

- so far as each of the Directors is aware, there is no relevant audit information of which the Company's auditor is unaware; and
- each of the Directors has taken all the steps that he/she ought to have taken as a Director to make himself/herself aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of Section 418 of the Companies Act 2006.

Deloitte LLP have expressed their willingness to continue as auditor and a resolution to re-appoint them will be proposed at the forthcoming Annual General Meeting.

By order of the Board.

Roger Mather
Director
12 June 2013

Directors' responsibilities statement

Year ended 31 March 2013

The Directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors are required to prepare the Group financial statements in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union and Article 4 of the IAS Regulation and have elected to prepare the parent company financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the Directors must not approve the accounts unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period.

In preparing the parent company financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

In preparing the Group financial statements, International Accounting Standard 1 requires that Directors:

- properly select and apply accounting policies;
- present information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information;
- provide additional disclosures when compliance with the specific requirements in IFRSs are insufficient to enable users to understand the impact of particular transactions, other events and conditions on the entity's financial position and financial performance; and
- make an assessment of the Company's ability to continue as a going concern.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Independent auditor's report

To the members of Mulberry Group plc

We have audited the Group financial statements of Mulberry Group plc for the year ended 31 March 2013 which comprise the consolidated income statement, the consolidated statement of comprehensive income, the consolidated balance sheet, the consolidated statement of changes in equity, the consolidated cash flow statement and the related notes 1 to 33. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union.

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITOR

As explained more fully in the Directors' responsibilities statement, the Directors are responsible for the preparation of the Group financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the Group financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

SCOPE OF THE AUDIT OF THE FINANCIAL STATEMENTS

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the Group's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Annual Report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent misstatements or inconsistencies we consider the implications for our report.

OPINION ON FINANCIAL STATEMENTS

In our opinion the Group financial statements:

- give a true and fair view of the state of the Group's affairs as at 31 March 2013 and of its profit for the year then ended;
- have been properly prepared in accordance with IFRSs as adopted by the European Union; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

OPINION ON OTHER MATTER PRESCRIBED BY THE COMPANIES ACT 2006

In our opinion the information given in the Directors' report for the financial year for which the Group financial statements are prepared is consistent with the Group financial statements.

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- certain disclosures of Directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

OTHER MATTERS

We have reported separately on the parent company financial statements of Mulberry Group plc for the year ended 31 March 2013.

In our opinion the part of the Directors' remuneration report to be audited has been properly prepared in accordance with the provisions of the Companies Act 2006 that would have applied were the Company a quoted company.

David Hedditch (Senior statutory auditor)
for and on behalf of Deloitte LLP
Chartered Accountants and Statutory Auditor
Bristol, United Kingdom
12 June 2013

Consolidated income statement

Year ended 31 March 2013

	Note	2013 £'000	2012 £'000
Revenue	5	165,130	168,451
Cost of sales		(60,623)	(56,964)
Gross profit		104,507	111,487
Administrative expenses		(79,413)	(76,565)
Other operating income	5	437	495
Operating profit		25,531	35,417
Share of results of associate	19	477	562
Finance income	11	48	72
Finance expense	12	(30)	(50)
Profit before tax		26,026	36,001
Tax	13	(7,333)	(10,700)
Profit for the year	8	18,693	25,301
Attributable to:			
Equity holders of the parent		18,693	25,301
		pence	**pence**
Basic earnings per share	15	32.2	43.9
Diluted earnings per share	15	32.0	43.4

All activities arise from continuing operations.

Consolidated statement of comprehensive income

Year ended 31 March 2013

	2013 £'000	2012 £'000
Profit for the year	18,693	25,301
Exchange differences on translation of foreign operations	45	(207)
Total comprehensive income for the year	18,738	25,094
Attributable to:		
Equity holders of the parent	18,738	25,094

Consolidated balance sheet

At 31 March 2013

	Note	2013 £'000	2012 £'000
Non-current assets			
Intangible assets	16	5,740	3,984
Property, plant and equipment	17	33,494	24,212
Interests in associates	19	281	357
Deferred tax asset	23	201	–
		39,716	28,553
Current assets			
Inventories	20	35,698	32,546
Trade and other receivables	21	14,233	14,912
Cash and cash equivalents	21	21,858	27,293
		71,789	74,751
Total assets		111,505	103,304
Current liabilities			
Trade and other payables	24	(29,800)	(34,627)
Current tax liabilities		(2,996)	(6,188)
		(32,796)	(40,815)
Non-current liabilities			
Deferred tax liability	23	–	(26)
Total liabilities		(32,796)	(40,841)
Net assets		78,709	62,463
Equity			
Share capital	25	2,992	2,982
Share premium account		11,835	11,578
Own share reserve	26	(2,937)	(3,966)
Capital redemption reserve		154	154
Special reserve		1,467	1,467
Foreign exchange reserve		224	179
Retained earnings		64,974	50,069
Total equity		78,709	62,463

The financial statements of Mulberry Group plc (company number 01180514) were approved by the Board of Directors and authorised for issue on 12 June 2013. They were signed on its behalf by:

Bruno Guillon
Director

Roger Mather
Director

Consolidated statement of changes in equity

Year ended 31 March 2013

	Share capital £'000	Share premium account £'000	Own share reserve £'000	Capital redemption reserve £'000	Special reserve* £'000	Foreign exchange reserve £'000	Retained earnings £'000	Total £'000
Balance at 1 April 2011	2,943	7,007	(621)	154	1,467	386	30,696	42,032
Total comprehensive (expense)/income for the year	–	–	–	–	–	(207)	25,301	25,094
Issue of share capital	10	3,782	–	–	–	–	–	3,792
Charge for employee share-based payments	–	–	–	–	–	–	701	701
Exercise of share options	29	789	–	–	–	–	(4,319)	(3,501)
Own shares	–	–	(3,345)	–	–	–	–	(3,345)
Ordinary dividends paid	–	–	–	–	–	–	(2,310)	(2,310)
Balance at 31 March 2012	2,982	11,578	(3,966)	154	1,467	179	50,069	62,463
Total comprehensive income for the year	–	–	–	–	–	45	18,693	18,738
Issue of share capital	1	–	–	–	–	–	–	1
Charge for employee share-based payments	–	–	–	–	–	–	888	888
Exercise of share options	9	257	–	–	–	–	(1,770)	(1,504)
Own shares	–	–	1,029	–	–	–	–	1,029
Ordinary dividends paid	–	–	–	–	–	–	(2,906)	(2,906)
Balance at 31 March 2013	2,992	11,835	(2,937)	154	1,467	224	64,974	78,709

* The special reserve was created as part of a capital restructuring of the Group in 2004.

Consolidated cash flow statement

Year ended 31 March 2013

	2013 £'000	2012 £'000
Operating profit for the year	25,531	35,417
Adjustments for:		
Depreciation and impairment of property, plant and equipment	5,553	3,992
Amortisation of intangible assets	803	494
Profit on disposal of property, plant and equipment	(26)	(8)
Effects of foreign exchange	(270)	(109)
Share-based payments charge	1,011	701
Operating cash flows before movements in working capital	32,602	40,487
Increase in inventories	(3,101)	(10,151)
Decrease/(increase) in receivables	533	(2,750)
(Decrease)/increase in payables	(5,657)	2,530
Cash generated from operations	24,377	30,116
Corporation taxes paid	(10,922)	(8,495)
Interest paid	(30)	(50)
Net cash inflow from operating activities	13,425	21,571
Investing activities:		
Interest received	49	96
Dividend received from associate	518	408
Purchases of property, plant and equipment	(13,976)	(8,632)
Proceeds from disposal of property, plant and equipment	37	33
Acquisition of intangible fixed assets	(2,108)	(2,153)
Net cash used in investing activities	(15,480)	(10,248)
Financing activities:		
Dividends paid	(2,906)	(2,310)
Proceeds on issue of shares	1	818
Settlement of share awards	(1,504)	(4,358)
Disposal of own shares	1,029	447
Net cash used in financing activities	(3,380)	(5,403)
Net (decrease)/increase in cash and cash equivalents	(5,435)	5,920
Cash and cash equivalents at beginning of year	27,293	21,373
Cash and cash equivalents at end of year	21,858	27,293

1. GENERAL INFORMATION

Mulberry Group plc is a company incorporated in England and Wales. The address of the registered office is given on page 7. The nature of the Group's operations and its principal activities are set out in note 6 and in the Directors' report.

These financial statements are presented in pounds sterling because that is the currency of the primary economic environment in which the Group operates. Foreign operations are included in accordance with the policies set out in note 3.

2. ADOPTION OF NEW AND REVISED STANDARDS

At the date of approval of these financial statements, the following Standards and Interpretations which have not been applied in these financial statements were in issue but not yet effective:

- IFRS 9: Financial instruments
- IFRS 10: Consolidated Financial Statements
- IFRS 11: Joint Arrangements
- IFRS 12: Disclosure of Interests in Other Entities
- Amendment to IAS 27: Separate Financial Statements
- Amendment to IAS 28: Investments in Associates and Joint Ventures
- IFRS 13: Fair Value Measurement
- IAS 12: Deferred Tax
- IAS 19: Employee Benefits
- IFRS 7 (amended) and IAS 32 (amended): Disclosures – offsetting financial assets and financial liabilities
- IFRS 1 (amended): Government Loans
- IFRS 10, IFRS 12 and IAS 27 (amended): Investment Entities

The Directors do not expect that the adoption of the Standards listed above will have a material impact on the financial statements of the Group in future periods, except IFRS 12 will impact the disclosure of interests the Group has in other entities. Beyond the information above, it is not practicable to provide a reasonable estimate of the effect of these Standards until a detailed review has been completed.

3. SIGNIFICANT ACCOUNTING POLICIES

Basis of accounting

The financial statements have been prepared in accordance with IFRSs adopted by the European Union.

For the year ended 31 March 2013, the financial year runs for the 52 weeks to 30 March 2013 (2012: 53 weeks ended 31 March 2012).

The financial statements are prepared under the historical cost convention. The principal accounting policies adopted are set out below.

Going concern

The Directors have, at the time of approving the financial statements, a reasonable expectation that the Company and the Group have adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing the financial statements. Further detail is contained in the Directors' report.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company (its subsidiaries) made up to 31 March each year. Control is achieved where the Company has the power to govern the financial and operating policies of each investee entity so as to obtain benefits from its activities.

The results of subsidiaries acquired or disposed of in any year are included in the consolidated income statement from the date of acquisition or up to the date of disposal.

Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used into line with those used by the Group.

All intra-group transactions, balances, income and expenses are eliminated on consolidation.

Goodwill

Goodwill written off to reserves under UK GAAP prior to 1998 has not been reinstated and is not included in determining any subsequent profit or loss on disposal.

Intangible assets

Intangible assets that are acquired by the Group are stated at cost less accumulated amortisation and any recognised impairment loss. Amortisation is charged to the income statement on a straight-line basis over the estimated useful life of the asset. Assets in the course of construction are carried at cost less any recognised impairment loss.

Lease costs comprise the lease premium and related costs associated with the Group's store on Rue St Honoré in Paris which are being amortised over the effective lease term of 27 years.

Computer software that is integral to a related item of hardware is included as property, plant and equipment. All other computer software is recorded as an intangible asset and is amortised over the estimated useful life of the asset (typically four to five years).

Property, plant and equipment

Items of property, plant and equipment are stated at cost or deemed cost less accumulated depreciation and any recognised impairment loss. Assets in the course of construction are carried at cost less any recognised impairment loss. Cost includes professional fees incurred directly in relation to construction of assets.

Depreciation is charged so as to write off the cost or valuation of assets less its residual value over their estimated useful lives, using the straight-line method, on the following bases:

Freehold buildings	5%
Short leasehold land and buildings	over the term of the lease
Fixtures, fittings and equipment	10% to 33%
Plant and equipment	20%
Motor vehicles	25%

Freehold land and assets under the course of construction are not depreciated. Depreciation on assets commences when the assets are ready for intended use.

The gain or loss arising on the disposal or retirement of an asset is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in income.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Impairment of tangible and intangible assets

At each balance sheet date, the Group reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where the asset does not generate cash flows that are independent from other assets, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs. An intangible asset with an indefinite useful life is tested for impairment annually and whenever there is an indication that the asset may be impaired.

The recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised as an expense immediately. Where an impairment loss subsequently reverses, the carrying amount of the asset (cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (cash-generating unit) in prior years. A reversal of an impairment loss is recognised as income immediately, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

Investments in associates

An associate is an entity over which the Group is in a position to exercise significant influence, but not control or joint control, through the participation in the financial and operating policy decisions of the investee. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over these policies. The results and assets and liabilities of associates are incorporated in these financial statements using the equity method of accounting. Investments in associates are carried in the balance sheet at cost as adjusted by post-acquisition changes in the Group's share of the net assets of the associate, less any impairment in the value of individual investments. Losses of the associates in excess of the Group's interest in those associates are recognised only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associate.

Any excess of the cost of acquisition over the Group's share of the net fair values of the identifiable net assets of the associate at the date of acquisition is recognised as goodwill. Any deficiency of the cost of acquisition below the Group's share of the fair values of the identifiable net assets of the associate at the date of acquisition (i.e. discount on acquisition) is credited in profit or loss in the period of acquisition.

Where a Group entity transacts with an associate of the Group, profits and losses are eliminated to the extent of the Group's interest in the relevant associate.

Inventories

Inventories are stated at the lower of cost and net realisable value. Cost comprises materials, direct labour costs and those overheads incurred in bringing the inventories to their current location and condition. Cost is calculated using the standard cost method. Net realisable value represents the estimated selling price less all estimated costs of completion and costs to be incurred in marketing, selling and distribution.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the income statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the balance sheet date.

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

Deferred tax liabilities are recognised for taxable temporary differences arising on investments in subsidiaries and associates, and interests in joint ventures, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the income statement, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis.

Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

Rentals payable under operating leases are charged to income on a straight-line basis over the term of the relevant lease. Benefits received and receivable as an incentive to enter into an operating lease are also spread on a straight-line basis over the lease term.

Provisions

A provision is recognised when the Group has a present legal or constructive obligation as a result of a past event, and where it is probable that an outflow will be required to settle the obligation. Provisions are measured at the Directors' best estimate of the expenditure required to settle the obligation at the balance sheet date and are discounted to present value where the effect is material.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Provisions (continued)

Present obligations arising under onerous contracts are recognised and measured as provisions. An onerous contract is considered to exist where the Group has a contract under which the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received under it.

Share-based payments

The Group issues equity-settled share-based payments to certain employees. Equity-settled share-based payments are measured at fair value (excluding the effect of non market-based vesting conditions) at the date of grant. The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period, based on the Group's estimate of the proportion of shares that will eventually vest and adjusted for the effect of non market-based vesting conditions.

The impact of the revision of the original estimates, if any, is recognised in profit or loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to equity reserves.

Fair value is measured by use of the Black-Scholes model. The expected life used in the model has been adjusted, based on management's best estimate, for the effects of non-transferability, performance conditions, exercise restrictions and behavioural considerations.

Retirement benefit costs

Payments to employees' personal pension plans are charged as an expense as they fall due. Payments made to state-managed retirement benefit schemes are dealt with as payments to defined contribution schemes where the Group's obligations under the schemes are equivalent to those arising in a defined contribution retirement benefit scheme.

Revenue recognition

Revenue represents amounts receivable for goods provided in the normal course of business, net of discounts, VAT and other sales-related taxes and intra-group transactions. Sales of goods are recognised at the point of sale, or for the wholesale business, when title has passed. Sales of gift vouchers are recognised on presentation of the voucher for payment of goods.

Interest income is accrued on a time basis by reference to the principal outstanding and at the effective interest rate applicable. This is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount.

Royalty income is recognised on an accruals basis in accordance with the substance of the relevant agreement and is disclosed as other operating income.

Operating profit

Operating profit is stated before the share of results of associates, finance income and finance expense.

Grant income

Government grants are not recognised until there is reasonable assurance that the Company will comply with the conditions attaching to them and that the grants will be received. The grant income is recognised as income over the periods necessary to match with the related costs and is deducted in reporting the related expense.

Foreign currencies

The individual financial statements of each Group company are presented in the currency of the primary economic environment in which it operates (its functional currency). For the purpose of the consolidated financial statements, the results and financial position of each Group company are expressed in pounds sterling, which is the functional currency of the Company, and the presentation currency for the consolidated financial statements.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Foreign currencies (continued)

In preparing the financial statements of the individual companies, transactions in currencies other than the entity's functional currency (foreign currencies) are recorded at the rates of exchange prevailing on the dates of the transactions. At each balance sheet date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the balance sheet date. Non-monetary items carried at fair value that are denominated in foreign currencies are translated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences arising on the settlement of monetary items, and on the retranslation of monetary items, are included in profit or loss for the period. Exchange differences arising on the retranslation of non-monetary items carried at fair value are included in profit or loss for the period except for differences arising on the retranslation of non-monetary items in respect of which gains and losses are recognised directly in equity. For such non-monetary items, any exchange component of that gain or loss is also recognised directly in equity.

For the purposes of presenting consolidated financial statements, the assets and liabilities of the Group's foreign operations are translated at exchange rates prevailing on the balance sheet date. Income and expense items are translated at the average exchange rates for the period, unless exchange rates fluctuate significantly during that period, in which case the exchange rates at the date of the transactions are used. Exchange differences arising, if any, are classified as equity and transferred to the Group's foreign exchange reserve. Such translation differences are recognised as income or as expenses in the period in which the operation is disposed of.

Financial instruments

Financial assets and financial liabilities are recognised in the Group's balance sheet when the Group becomes a party to the contractual provisions of the instrument.

Trade receivables

Trade receivables do not carry any interest and are stated at their amortised cost as reduced by appropriate allowances for estimated irrecoverable amounts.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and demand deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value.

Derecognition of financial assets

The Group derecognises financial assets when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all of the risks and rewards of ownership of the asset to another entity.

Financial liabilities and equity

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the Group after deducting all of its liabilities.

Equity instruments issued by the Group are recognised at the proceeds received, net of direct issue costs.

Bank borrowings

Interest-bearing bank loans and overdrafts are recorded at the fair value of the proceeds received, net of direct issue costs. Finance charges, including premiums payable on settlement or redemption and direct issue costs, are accounted for on an accruals basis against profit or loss using the effective interest rate method and are added to the carrying amount of the instrument to the extent that they are not settled in the period in which they arise.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial instruments (continued)

Trade payables

Trade payables are not interest-bearing and are stated at their amortised cost.

Derecognition of financial liabilities

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or they expire.

4. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Group's accounting policies the Directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The critical judgements undertaken by the Directors relate to the key sources of estimation uncertainty. The following estimates that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

Impairment of property, plant and equipment

Property, plant and equipment are reviewed for impairment if events or changes in circumstances indicate that the carrying amount may not be recoverable. When a review for impairment is conducted, the recoverable amount is determined based on value in use calculations prepared on the basis of management's assumptions and estimates.

Depreciation of property, plant and equipment

Depreciation is charged so as to write off the cost of assets over their estimated useful lives. The selection of the estimated lives requires the exercise of management judgement.

Recoverability of intangible asset

The carrying value of the lease premium and related costs for the shop in Rue St Honoré, Paris, is reassessed each year based on the ongoing performance of the store and the realisable value of the lease.

Inventory provisions

The Group designs, produces and sells luxury goods and as such is at risk that the net realisable value of stock will be less than the carrying value. Provisions for raw materials are calculated based upon expected future usage and for finished goods upon the saleability of finished goods and age and condition of the items.

Share-based payments – Long Term Incentive Plan

The fair value is determined at grant date and expensed over the vesting period based on the estimate of the proportion of the shares which will vest. The new Long Term Incentive Plan includes non market-based performance conditions, including achieving targets for the Group's future revenue and EBIT. The probability of whether these performance targets will be met based on the latest Group forecasts is reassessed on a six monthly basis.

5. REVENUE

	2013 £'000	2012 £'000
Sale of goods	165,130	168,451
Royalty income	180	200
Other income	257	295
Finance income	48	72
Total revenue	165,615	169,018

6. BUSINESS AND GEOGRAPHICAL SEGMENTS

IFRS 8 requires operating segments to be identified on the basis of internal reports about components of the Group that are regularly reviewed by the Chief Operating decision maker, defined as the Chief Executive, to allocate resources to the segments and to assess their performance.

(A) Business segments

For management purposes, the Group is currently organised into two operating divisions – the Retail business and Design business. These divisions are the basis upon which the Group reports its primary segment information. The principal activities are as follows:

Retail – sale of Mulberry branded fashion accessories, clothing and footwear through a number of shops and department store concessions.

Design – brand management, marketing, product design, manufacture, sourcing and wholesale distribution for the Mulberry brand.

Inter-segment sales for both years are charged at market prices in line with our third party wholesale customers.

Segment information about these businesses is presented below.

	Design 2013 £'000	Retail 2013 £'000	Eliminations 2013 £'000	Group 2013 £'000
Revenue				
External sales	57,902	107,228	–	165,130
Inter-segment sales	51,379	–	(51,379)	–
Total revenue	109,281	107,228	(51,379)	165,130
Segment result	11,613	14,357	–	25,970
Central administration costs				(439)
Share of results of associate				477
Net finance income				18
Profit before tax				26,026

6. BUSINESS AND GEOGRAPHICAL SEGMENTS (continued)

	Design 2012 £'000	Retail 2012 £'000	Eliminations 2012 £'000	Group 2012 £'000
Revenue				
External sales	68,845	99,606	–	168,451
Inter-segment sales	39,770	–	(39,770)	–
Total revenue	108,615	99,606	(39,770)	168,451
Segment result	17,834	18,606	–	36,440
Central administration costs				(1,023)
Share of results of associate				562
Net finance income				22
Profit before tax				36,001

	2013 Design £'000	2013 Retail £'000	2013 Total £'000	2012 Design £'000	2012 Retail £'000	2012 Total £'000
Other information						
Capital expenditure	6,154	10,238	16,392	2,629	8,062	10,691
Depreciation and amortisation	1,569	3,381	4,950	1,254	1,968	3,222

In addition, £543,000 (2012: £1,752,000) of capital expenditure and £1,405,000 (2012: £1,263,000) of depreciation was incurred by the parent company which is not included in the segments above.

	2013 Design £'000	2013 Retail £'000	2013 Total £'000	2012 Design £'000	2012 Retail £'000	2012 Total £'000
Balance sheet						
Segment assets	26,564	74,235	100,799	43,437	48,644	92,081
Interests in associates			281			357
Unallocated corporate assets			10,425			10,866
Consolidated assets			111,505			103,304
Segment liabilities	15,106	10,458	25,564	16,782	10,052	26,834
Unallocated corporate liabilities			7,232			14,007
Consolidated liabilities			32,796			40,841

6. BUSINESS AND GEOGRAPHICAL SEGMENTS (continued)

(B) Geographical segments

The following table provides an analysis of the Group's sales and non-current assets by geographical market, irrespective of the origin of the goods:

	Sales revenue by geographical market		Non-current assets by geographical market	
	2013 £'000	2012 £'000	2013 £'000	2012 £'000
UK	108,025	103,285	26,331	21,620
Rest of Europe	27,739	27,628	5,119	2,313
Asia	19,605	26,042	–	–
North America	8,142	8,367	8,266	4,620
Rest of world	1,619	3,129	–	–
	165,130	168,451	39,716	28,553

7. EXCEPTIONAL INCOME AND EXPENSES

There was no exceptional income or expenses in the current or prior year.

8. PROFIT FOR THE YEAR

Profit for the year has been arrived at after charging/(crediting):	2013 £'000	2012 £'000
Net foreign exchange (gain)/loss	(442)	77
Depreciation and impairment of property, plant and equipment:		
Owned assets	5,553	3,992
Amortisation of intangible assets	803	494
Government grants	(662)	–
Write-downs of inventories recognised as an expense	775	823
Cost of inventories recognised as an expense	58,101	56,642
Staff costs (see note 10)	30,151	28,053
Impairment of trade receivables	(230)	295
Profit on disposal of property, plant and equipment	(26)	(8)

9. AUDITOR REMUNERATION

	2013 £'000	2012 £'000
The analysis of auditor's remuneration is as follows:		
Fees payable to the Company's auditor for the audit of the Company's annual accounts	19	19
The audit of the Company's subsidiaries	42	40
Total audit fees	61	59

	£'000	£'000
Other taxation advisory services	44	51
Audit related assurance services	6	–
Corporate finance services	3	30
Other services	3	3
Total non-audit fees	56	84

Tax services in both years include advice in relation to international structuring and company share schemes. The audit related assurance services relate to the review of grant claims submitted to the Regional Growth Fund. The corporate finance services relate to work in connection with the original Regional Growth Fund submission for the new Somerset factory.

10. STAFF COSTS

The average monthly number of employees (including Executive Directors and those on a part-time basis) was:

	2013 Number	2012 Number
Production	413	362
Sales and distribution	536	465
Administration	138	116
	1,087	943

	£'000	£'000
Their aggregate remuneration comprised:		
Wages and salaries	25,787	24,634
Social security costs	2,634	2,197
Other pension costs (see note 30)	719	521
Share-based payments (see note 29)	1,011	701
	30,151	28,053

Details of Directors' remuneration and interests are provided in the audited section of the Directors' remuneration report and should be regarded as part of these financial statements.

11. FINANCE INCOME

	2013 £'000	2012 £'000
Interest income on cash balances	48	72

12. FINANCE EXPENSE

	2013 £'000	2012 £'000
Interest on bank overdraft	30	50

13. TAX

	2013 £'000	2012 £'000
Current tax	7,560	9,915
Adjustment to prior year corporation tax	–	690
Deferred tax (note 23)	(169)	123
Adjustment to prior year deferred tax	(58)	(28)
	7,333	10,700

The charge for the year can be reconciled to the profit per the consolidated income statement as follows:

	2013 £'000	2012 £'000
Profit before tax	26,026	36,001
Tax at the UK corporation tax rate of 24% (2012: 26%)	6,246	9,360
Tax effect of items that are not deductible in determining taxable profit	321	316
Tax effect of expenses not deductible for tax purposes – fixed assets	387	343
Overseas losses not carried forward	436	67
Profits offset against prior year losses	–	(56)
Chargeable gain on disposal of lease	–	13
Effect of change in corporation tax rate	1	(5)
Prior year adjustments	(58)	662
Tax expense for the year	7,333	10,700

Current tax of £170,000 has been recognised directly in equity in relation to foreign currency movements (2012: nil).

In the Budget on 21 March 2012 the UK Government announced that legislation will be introduced in the Finance Bill 2012 to reduce the main rate of corporation tax from 24% to 23% from 1 April 2013. On 3 July 2012 a resolution approving the rate change to 23% was passed and therefore 23% has been used to calculate the position on deferred tax at 31 March 2013 (2012: 24%). The further phased reductions discussed in the Budget on 20 March 2013, reducing the corporation tax rate to 20% from 1 April 2015, have not yet been enacted. The Directors are not aware of any other factors that will materially affect the future tax charge.

14. DIVIDENDS

The dividends approved and paid during the year are as follows:

	2013 £'000	2012 £'000
Dividend for the year ended 31 March 2012 of 5p (2011: 4p) per share paid in September 2012	2,906	2,310
Proposed dividend for the year ended 31 March 2013 of 5p per share (2012: 5p)	2,992	2,982

This proposed dividend is subject to approval by shareholders at the Annual General Meeting and has not been included as a liability in these financial statements.

15. EARNINGS PER SHARE ('EPS')

	2013 pence	2012 pence
Basic earnings per share	32.2	43.9
Diluted earnings per share	32.0	43.4

Earnings per share is calculated based on the following data:

	2013 million	2012 million
Weighted average number of ordinary shares for the purpose of basic EPS	58.1	57.6
Effect of dilutive potential ordinary shares: share options	0.4	0.7
Weighted average number of ordinary shares for the purpose of diluted EPS	58.5	58.3

The weighted average number of ordinary shares in issue during the year excludes those held by the Mulberry Group Plc Employee Share Trust.

16. INTANGIBLE ASSETS

	Software £'000	Lease costs £'000	Total £'000
Cost			
At 1 April 2011	1,695	1,957	3,652
Additions	2,425	–	2,425
Disposals	(48)	–	(48)
Exchange differences	–	(98)	(98)
At 1 April 2012	4,072	1,859	5,931
Additions	2,536	–	2,536
Exchange differences	–	32	32
At 31 March 2013	6,608	1,891	8,499
Amortisation			
At 1 April 2011	1,208	310	1,518
Charge for the year	422	72	494
Disposals	(48)	–	(48)
Exchange differences	–	(17)	(17)
At 1 April 2012	1,582	365	1,947
Charge for the year	735	68	803
Exchange differences	–	9	9
At 31 March 2013	2,317	442	2,759
Carrying amount			
At 31 March 2013	4,291	1,449	5,740
At 31 March 2012	2,490	1,494	3,984
At 31 March 2011	487	1,647	2,134

At 31 March 2013, the Group had entered into contractual commitments for the acquisition of software of £262,000 (2012: £467,000). Included within software is £2,007,000 of projects still in development and where depreciation will not commence until the projects are complete and the assets come into use (2012: £1,074,000).

17. PROPERTY, PLANT AND EQUIPMENT

	Freehold land and buildings £'000	Short leasehold land and buildings £'000	Plant and equipment £'000	Fixtures, fittings and equipment £'000	Motor vehicles £'000	Total £'000
Cost						
At 1 April 2011	4,600	9,103	5,202	9,636	100	28,641
Additions	1,362	4,978	2,256	1,312	111	10,019
Disposals	–	–	(1,873)	(2,302)	(72)	(4,247)
Exchange differences	–	11	–	(30)	–	(19)
At 1 April 2012	5,962	14,092	5,585	8,616	139	34,394
Additions	3,717	3,167	1,294	6,221	–	14,399
Disposals	–	–	(772)	(1,054)	–	(1,826)
Reclassification	137	(137)	(1,220)	1,220	–	–
Exchange differences	–	303	15	224	–	542
At 31 March 2013	9,816	17,425	4,902	15,227	139	47,509
Accumulated depreciation						
At 1 April 2011	1,404	178	3,766	5,022	64	10,434
Charge for the year	178	1,432	801	1,555	26	3,992
Disposals	–	–	(1,873)	(2,288)	(61)	(4,222)
Exchange differences	–	1	–	(23)	–	(22)
At 1 April 2012	1,582	1,611	2,694	4,266	29	10,182
Charge for the year	236	2,097	779	2,408	33	5,553
Disposals	–	–	(766)	(1,049)	–	(1,815)
Reclassification	–	–	(63)	63	–	–
Exchange differences	–	37	4	54	–	95
At 31 March 2013	1,818	3,745	2,648	5,742	62	14,015
Carrying amount						
At 31 March 2013	7,998	13,680	2,254	9,485	77	33,494
At 31 March 2012	4,380	12,481	2,891	4,350	110	24,212
At 31 March 2011	3,196	8,925	1,436	4,614	36	18,207

Included within the table above, are the following assets under the course of construction which are not being depreciated:

At 31 March 2013	3,550	678	183	1,107	–	5,518
At 31 March 2012	–	1,219	13	1,018	–	2,250

The Group has the following contractual commitments:

At 31 March 2013	1,739	2,429	306	1,351	–	5,825
At 31 March 2012	50	2,653	–	190	–	2,893

Freehold land of £2,029,000 (2012: £997,000) has not been depreciated.

18. SUBSIDIARIES

A list of the significant investments in subsidiaries, including the name, country of incorporation and proportion of ownership interest is given in note 36 to the Company's separate financial statements.

19. INTERESTS IN ASSOCIATES

	2013 £'000	2012 £'000
Total assets	3,255	2,031
Total liabilities	(2,417)	(1,961)
Total net assets	838	70
Total revenue	3,913	3,884
Profit for the year	955	1,125
Group's share of profit of associate	477	562

A list of the significant investments in associates, including the name, country of incorporation and proportion of ownership interest is given in note 36 to the Company's separate financial statements.

20. INVENTORIES

	2013 £'000	2012 £'000
Raw materials	2,940	2,475
Work-in-progress	723	758
Finished goods	32,035	29,313
	35,698	32,546

21. OTHER FINANCIAL ASSETS

Trade and other receivables

	2013 £'000	2012 £'000
Amount receivable for the sale of goods	9,233	11,047
Allowance for doubtful debts	(468)	(698)
	8,765	10,349
Amounts owed by associate undertakings	230	155
Other debtors	1,712	998
Prepayments and accrued income	3,526	3,410
	14,233	14,912

21. OTHER FINANCIAL ASSETS (continued)

Trade receivables

The average credit period taken on the sale of goods is 49 days (2012: 42 days). No interest is charged on the outstanding receivables. The carrying amount of receivables approximates to their fair value.

The Group has provided for the estimated irrecoverable amount from the sale of goods, where there is doubt as to the recoverability of the receivables balance. Before accepting any new customer, the Group assesses the potential customer's credit quality and defines individual credit limits by customer.

The Group's receivables comprise primarily department stores, franchise partners and associates, and wholesale customers. Those customers who represented more than 10% of the total balance of trade receivables at the year end were Club 21, House of Fraser (Stores) Limited and SHK Holdings (franchise partner in Korea).

Included in the Group's trade receivables balance are debtors with a carrying amount of £1,417,000 (2012: £1,804,000) which are past due at the reporting date for which the Group has not provided as there has not been a significant change in credit quality and the amounts are still considered recoverable.

Ageing of past due but not impaired receivables

	2013 £'000	2012 £'000
0 to 30 days overdue	1,319	1,804
31 to 60 days overdue	98	–
	1,417	1,804

Given the relatively small nature of the provision for receivables, no further analysis is provided.

Cash and cash equivalents

	2013 £'000	2012 £'000
Cash and cash equivalents	21,858	27,293

Cash and cash equivalents comprise cash held by the Group and short-term bank deposits with an original maturity of three months or less. The carrying amount of these assets approximates to their fair value.

22. BORROWINGS

The Group's borrowing facilities comprise bank overdrafts which would be repayable on demand. The multi-currency overdraft facilities of £2,000,000 (2012: £2,000,000) have been secured by a charge over the Group's assets. The interest rates are determined based on 1% over the bank base rate. In addition, the Group has available trade facilities of £2,000,000 (2012: £2,500,000).

No borrowings were outstanding at the year end (2012: nil).

23. DEFERRED TAX

The following are the major deferred tax liabilities and assets recognised by the Group and movements thereon during the current and prior reporting periods.

	Accelerated tax depreciation £'000	Short-term timing differences £'000	Total £'000
At 1 April 2011	184	(253)	(69)
Charge to income	20	75	95
At 1 April 2012	204	(178)	26
Credit to income	(187)	(40)	(227)
Net deferred tax liability/(asset) as at 31 March 2013	17	(218)	(201)

Certain deferred tax assets and liabilities have been offset. The following is the analysis of the deferred tax balances (after offset) for financial reporting purposes:

	2013 £'000	2012 £'000
Deferred tax liability	17	204
Deferred tax asset	(218)	(178)
	(201)	26

24. OTHER FINANCIAL LIABILITIES

Trade and other payables

	2013 £'000	2012 £'000
Trade payables	11,760	12,696
Accruals and deferred income	13,364	18,644
Other payables	4,676	3,287
	29,800	34,627

Trade payables and accruals principally comprise amounts outstanding for trade purchases and ongoing costs. The average credit period taken for trade purchases is 15 days (2012: 20 days). For most suppliers, no interest is charged on the trade payables for the first 60 days from the date of the invoice. Thereafter, interest is charged on the outstanding balances at various interest rates. The Group has financial risk management policies in place to ensure that all payables are paid within the credit timeframe.

The Directors consider that the carrying amount of trade payables approximates to their fair value.

25. SHARE CAPITAL

	2013 £'000	2012 £'000
Authorised		
65,000,000 ordinary shares of 5p each (2012: 65,000,000)	3,250	3,250

	£'000	£'000
Issued and fully paid		
59,830,175 ordinary shares of 5p each (2012: 59,635,175)	2,992	2,982

The following share issues have been made during the year:

- On 5 July 2012, 20,000 5p ordinary shares were issued at nominal value to the Mulberry Group Plc Employee Share Trust for future share awards; and
- On 11 December 2012, 175,000 5p ordinary shares were issued at a premium of £1.47 per share for the exercise of share options.

The Company has granted 209,234 options in respect of 5p ordinary shares during the year (2012: nil).

26. RESERVES

The own share reserve represents 1,286,243 5p ordinary shares (2012: 1,715,893) at a cost of £2,937,548 (2012: £3,966,000). The shares have been purchased in the market or issued as new shares by the Company, and are held by the Mulberry Group Plc Employee Share Trust to satisfy the deferred and matching shares under the Deferred Bonus Plan and Co-ownership Equity Incentive Plan.

During the year, the reserve increased due to the purchase of 20,000 5p ordinary shares following an issue of share capital by the Company at the nominal value of £1,000 and reduced by the vesting of 449,650 shares with a value of £1,029,297.

27. OPERATING LEASE ARRANGEMENTS

	2013 £'000	2012 £'000
Minimum lease payments under operating leases recognised as an expense in the year	9,938	8,339

At the balance sheet date, the Group had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	£'000	£'000
Within one year	12,210	9,937
In the second to fifth years inclusive	43,676	41,575
After five years	47,168	46,481
	103,054	97,993

Operating lease payments represent rentals payable by the Group for certain of its retail stores, warehouses and offices. The leases are for a varied length of time with the longest lease running until 2035. Leases are typically subject to rent reviews at specified intervals and some payments are contingent upon levels of revenue above minimum thresholds. The amount paid under this contingent element in the year was £2,328,000 (2012: £2,098,000).

28. CONTINGENT LIABILITIES

Mulberry Group plc has acted as a guarantor on various property leases entered into between its subsidiaries and third-party lessors. No amounts were outstanding at the year end in respect of such guarantees (2012: nil).

29. SHARE-BASED PAYMENTS

The Group operated the following schemes during the year.

Mulberry Group plc 2008 Unapproved Share Option Scheme

The scheme was established on 14 April 2008 and is open to all employees of Mulberry Group plc and its subsidiaries. The exercise price is equal to the market value of the shares on the date of grant. The vesting period is three years. If the options remain unexercised for a period of ten years from the date of grant they expire. Options may be forfeited if the employee leaves the Group.

Details of the share options movements during the year are as follows:

	2013		2012	
	Number of share options	Weighted average exercise price (in £)	Number of share options	Weighted average exercise price (in £)
Outstanding at beginning of the year	441,000	3.40	1,361,000	2.13
Forfeited during the year	(10,000)	–	–	–
Exercised during the year	(221,000)	1.51	(920,000)	1.45
Outstanding at the end of the year	210,000	4.98	441,000	3.40
Exercisable at the end of the year	140,000	1.45	186,000	1.45

The weighted average share price at the date of exercise for share options exercised during the period was £11.70 (2012: £13.77). The options outstanding at 31 March 2013 had a weighted average remaining contractual life of 0.8 years (2012: 0.6 years).

The inputs into the Black-Scholes model are as follows:

	2013	2012
Share price	£1.52 to £12.05	£1.44½ to £12.05
Exercise price	£1.52 to £12.05	£1.44½ to £12.05
Expected volatility	50.21% to 62.41%	50.21% to 62.41%
Expected life	3.25 years	3.25 years
Risk-free rate	1.88% to 1.99%	1.88% to 4.93%
Expected dividend yields	0.3% to 1.6%	0.3% to 1.6%

Expected volatility was based on historical volatility over the expected life of the scheme. The expected life is based upon historical data and has been adjusted based on management's best estimate for the effects of non-transferability, exercise restrictions, and behavioural considerations.

29. SHARE-BASED PAYMENTS (continued)

Mulberry Group plc 2008 Deferred Bonus Plan

The plan was established on 8 August 2008 and is open to all employees of Mulberry Group plc and its subsidiaries. The share-based payments charge relates to the cost of matching shares awarded to employees participating in this plan. The vesting period is two years. If the matching shares remain unexercised after a period of ten years from the date of grant, the award expires. The matching shares may be forfeited if the employee leaves the Group.

Details of the share options outstanding during the year are as follows:

	2013 Number of matching shares	2012 Number of matching shares
Outstanding at beginning of the year	180,123	238,717
Granted during the year	25,115	–
Exercised during the year	(37,082)	(58,594)
Outstanding at the end of the year	168,156	180,123
Exercisable at the end of the year	109,771	18,210

The options outstanding at 31 March 2013 had a weighted average remaining contractual life of 0.4 years (2012: 0.4 years) and have an exercise price of nil. The weighted average fair value of options granted during the year was nil (2012: nil).

The inputs into the Black-Scholes model are as follows:

	2013	2012
Share price	£1.94 to £14.75	£1.21½ to £13.72
Exercise price	nil	nil
Expected volatility	42% to 76.07%	65% to 76.07%
Expected life	2.5 years to 2 years	2.5 years
Risk-free rate	0.27% to 1.96%	1.59% to 1.96%
Expected dividend yields	0.2% to 1.6%	0.3% to 1.6%

Expected volatility was based on historical volatility over the expected life of the scheme. The expected life is based upon historical data and has been adjusted based on management's best estimate for the effects of non-transferability, exercise restrictions and behavioural considerations.

29. SHARE-BASED PAYMENTS (continued)

Mulberry Group plc 2009 Co-ownership Equity Incentive Plan

The plan was established on 20 August 2009. The vesting period is generally three years. The jointly owned shares may be forfeited if the employee leaves the Group prior to vesting and the rights of the participants lapse if the award has not been exercised after a period of seven years from the date of vesting.

Details of the share awards outstanding during the year are as follows:

	2013		2012	
	Number of share awards	Weighted average exercise price (in £)	Number of share awards	Weighted average exercise price (in £)
Outstanding at beginning of the year	1,525,670	1.46	1,325,000	1.46
Granted during the year	–	–	200,670	23.02
Exercised during the year	(375,000)	1.46	–	–
Outstanding at the end of the year	1,150,670	5.22	1,525,670	4.29
Exercisable at the end of the year	950,000	1.46	–	–

The co-owned share rights outstanding at 31 March 2013 had a weighted average remaining contractual life of 1.9 years (2012: 0.8 years). The weighted average fair value of awards granted during the prior year was £4.57.

The inputs into the Black-Scholes model are as follows:

	2013	2012
Share price	£1.21½ to £18.89½	£1.21½ to £18.89½
Exercise price	£1.46 to £23.02	£1.46 to £23.02
Expected volatility	47.96% to 53.79%	47.96% to 53.79%
Expected life	2.25 years to 4 years	2.25 years to 4 years
Risk-free rate	0.41% to 2.16%	0.41% to 2.16%
Expected dividend yields	0.4% to 1.6%	0.4% to 1.6%

Expected volatility was based on historical volatility over the expected life of the scheme. The expected life is based upon historical data and has been adjusted based on management's best estimate for the effects of non-transferability, exercise restrictions and behavioural considerations.

29. SHARE-BASED PAYMENTS (continued)

Mulberry Group plc Long Term Incentive Plan

The plan was established on 19 December 2012. The vesting period is generally three years and is dependent upon attainment of certain performance conditions, including achievement of Group revenue and EBIT growth. The options may be forfeited if the employee leaves the Group and the rights of the participants' lapse if the award has not been exercised after a period of five years from the date of vesting.

Details of the share awards outstanding during the year are as follows:

	2013	
	Number of share options	Weighted average exercise price (in £)
Granted during the year	209,234	nil
Forfeited during the year	(18,892)	–
Outstanding at the end of the year	190,342	nil
Exercisable at the end of the year	–	–

The options outstanding at 31 March 2013 had a weighted average remaining contractual life of 0.93 years and have an exercise price of nil. The weighted average fair value of options granted during the year was £1.51.

The inputs into the Black-Scholes model are as follows:

	2013
Share price	£11.63
Exercise price	nil
Expected volatility	53%
Expected life	1.5 years to 2.5 years
Risk-free rate	0.27% to 0.32%
Expected dividend yields	0.2%

Expected volatility was based on historical volatility over the expected life of the scheme. The expected life is based upon historical data and has been adjusted based on management's best estimate for the effects of non-transferability, exercise restrictions and behavioural considerations.

29. SHARE-BASED PAYMENTS (continued)

The Group recognised the following expenses related to share-based payments:

	2013 £'000	2012 £'000
Mulberry Group plc 2008 Unapproved Share Option Scheme	93	187
Mulberry Group plc 2008 Deferred Bonus Plan	392	348
Mulberry Group plc 2009 Co-ownership Equity Incentive Plan	429	166
Mulberry Group plc Long Term Incentive Plan	97	–
	1,011	701

30. RETIREMENT BENEFIT SCHEMES

The Group contributes to personal pension plans for all qualifying employees. The total cost charged to income of £719,000 (2012: £521,000) represents contributions payable to these personal plans by the Group at rates contractually agreed. As at 31 March 2013, contributions due in respect of the current reporting period which had not been paid over to the plans were £106,000 (2012: £65,000).

31. FINANCIAL INSTRUMENTS

Capital risk management

The Group manages its capital to ensure that entities in the Group will be able to continue as going concerns while maximising the return to shareholders through the optimisation of the debt and equity balance. The capital structure of the Group consists of cash and cash equivalents and equity attributable to equity holders of the parent, comprising issued capital, reserves and retained earnings as disclosed in the consolidated statement of changes in equity and notes 25 and 26.

Externally imposed capital requirement

The Group is not subject to externally imposed capital requirements.

Significant accounting policies

Details of the significant accounting policies and methods adopted, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognised, in respect of each class of financial asset, financial liability and equity instrument are disclosed in note 3 to the financial statements.

Categories of financial instruments

	Carrying values 2013 £'000	Carrying values 2012 £'000
Financial assets		
Loans and receivables (including cash and cash equivalents)	30,853	37,797
Financial liabilities		
Amortised cost	11,760	12,696

31. FINANCIAL INSTRUMENTS (continued)

Financial risk management objectives

The Group's Finance Director is responsible to the Board for the Group's financial risk management. This includes analysing the Group's exposure by degree and magnitude of risks. These risks include market risk (including currency risk and interest rate risk), credit risk and liquidity risk.

The Group seeks to minimise the effects of these risks where possible. It does this by maintaining bank accounts in all of the major currencies in which it trades and it operates its own internal hedging by offsetting currency receipts on sales against purchases in related currencies. Where there is significant risk remaining, and the Group deems it necessary, it uses derivative financial instruments to hedge these risk exposures. The Group does not enter into or trade financial instruments, including derivative financial instruments, for speculative purposes.

Market risk

The Group's activities expose it primarily to the financial risks of changes in foreign currency exchange rates and interest rates. The Group reviews the need to enter into financial instruments on a regular basis but has not entered into any during the current or previous periods. As the Group has no debt, it is not significantly exposed to interest rate risk on its financial liabilities and continues to seek to maximise the returns from its bank deposits.

Foreign currency risk management

The Group undertakes certain transactions denominated in foreign currencies. Hence, exposures to exchange rate fluctuations arise. The carrying amounts of the Group's foreign currency denominated monetary assets and monetary liabilities at the reporting date are as follows:

	Liabilities		Assets	
	2013 £'000	2012 £'000	2013 £'000	2012 £'000
Euro	2,272	2,972	4,283	5,947
US Dollar	2,953	506	3,864	5,745

Foreign currency sensitivity analysis

The Group is mainly exposed to the US Dollar and Euro currencies.

The following table details the Group's sensitivity to a 10% increase or decrease in Sterling against the relevant foreign currencies. 10% is the sensitivity rate which represents management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the period-end for a 10% change in foreign currency rates. A positive number below indicates an increase in profit and other equity where Sterling strengthens 10% against the relevant currency. For a 10% weakening of Sterling against the relevant currency, there would be an equal and opposite impact on the profit and other equity, and the balances below would be negative or positive.

	Euro currency impact		US Dollar currency impact	
	2013 £'000	2012 £'000	2013 £'000	2012 £'000
Profit or loss	183	270	83	476

31. FINANCIAL INSTRUMENTS (continued)

Interest rate risk management and sensitivity analysis

The Group's exposure to interest rate risk on borrowings is limited as there is no outstanding debt within the Group. The Group's exposures to interest rates on financial assets and financial liabilities are detailed in the liquidity risk management section of this note.

The Group's sensitivity to changes in interest rates has been illustrated based on a 1% increase or decrease in interest rates. For floating rate deposits and liabilities, the analysis is prepared assuming the amount of liability outstanding at the balance sheet date was outstanding for the whole year. A 1% increase or decrease has been applied to represent management's assessment of the reasonably possible change in interest rates.

If interest rates had been 1% higher and all other variables were held constant, the Group's profit for the year ended 31 March 2013 would have increased by £123,000 (2012: increase by £87,500). This is mainly attributable to the Group's exposure to interest rates on its cash deposits.

The Group's sensitivity to interest rates has increased during the current period mainly due to the net increase in the funds on which interest is received.

Credit risk management

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group. The Group has adopted a policy of only dealing with creditworthy counterparties and obtaining letters of credit where deemed appropriate, as a means of mitigating the risk of financial loss from defaults.

Trade receivables consist of a large number of customers. Credit evaluation is performed on the financial condition of accounts receivable and, where appropriate, credit insurance cover is purchased.

The Group does not have any significant credit risk exposure to any single counterparty or any group of counterparties having similar characteristics, other than as disclosed in note 21. The Group defines counterparties as having similar characteristics if they are connected entities.

Liquidity risk management

Ultimate responsibility for liquidity risk management rests with the Board of Directors, which has built an appropriate liquidity risk management framework for the management of the Group's short, medium and long term funding and liquidity management requirements. The Group manages liquidity risk by maintaining adequate reserves and banking facilities by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities. Included in note 22 is a description of additional undrawn facilities that the Group has at its disposal to reduce further liquidity risk.

31. FINANCIAL INSTRUMENTS (continued)

Liquidity and interest risk tables

The Group's financial assets all contractually mature within the next year. Trade receivables do not accrue interest. The weighted average interest rate on cash and cash equivalents was 0.3% (2012: 0.7%).

The following tables detail the Group's remaining contractual maturity for its financial liabilities. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group can be required to pay. The table includes both interest and principal cash flows.

2013	Weighted average interest rate	Less than 1 year £'000	1 to 2 years £'000	2 to 3 years £'000	3 to 4 years £'000	4 to 5 years £'000	Total £'000
Current liabilities	–	32,796	–	–	–	–	32,796

2012	Weighted average interest rate	Less than 1 year £'000	1 to 2 years £'000	2 to 3 years £'000	3 to 4 years £'000	4 to 5 years £'000	Total £'000
Current liabilities	–	40,815	–	–	–	–	40,815

Fair value of financial instruments

The carrying amounts of financial assets and financial liabilities recorded at amortised cost in the financial statements approximate to their fair values.

32. RELATED PARTY TRANSACTIONS

Transactions between the Company and its subsidiaries, which are related parties, have been eliminated on consolidation and are not disclosed in this note. Transactions between the Group and its associates are disclosed below.

USA transaction

On 5 October 2009, a transaction to assume operational control of the two New York stores and the distribution rights to the North American market previously held by the Group's joint venture partner, Mulberry USA LLC, was completed. As part of this agreement, deferred consideration of up to £1,000,000 became payable to Challice Limited (the remaining shareholder of Mulberry USA LLC and the majority shareholder of Mulberry Group plc) on a stepped basis if sales generated from the USA operations during the third year post completion exceeded certain agreed thresholds. The consideration was to be payable in cash or, at Mulberry Group plc's option, new Mulberry shares, the number of shares being calculated at the then prevailing share price. Following the growth in the USA operations, as at 31 March 2011 the Directors concluded that it was probable that the deferred consideration would become payable and as such a provision for £1,000,000 was made and disclosed as an exceptional cost. This has subsequently been paid in full during April 2012.

32. RELATED PARTY TRANSACTIONS (continued)

Trading transactions

During the year, Group companies entered into the following transactions with related parties which are not members of the Group:

	Sale of goods		Amounts owed by related parties	
	2013 £'000	2012 £'000	2013 £'000	2012 £'000
Mulberry Oslo AS	1,694	1,744	230	155
Club 21 Retail (Hong Kong) Limited*	3,352	5,688	259	632
Club 21 Shanghai Limited*	818	–	394	–
Club 21 Pte Limited*	2,248	1,521	227	369
Club 21 (Thailand) Co Limited*	1,021	921	71	77
Club 21 Pte Limited Taiwan Branch*	415	474	22	35
Club 21 Distribution (S) Pte Limited*	–	–	–	(9)
Club Twenty-One Retail (M) Sdn Bhd*	363	415	6	13
Club 21 Australia Pty Ltd*	554	578	24	25
Club 21 Japan Company Ltd*	1,105	872	(32)	3

* These are related parties of the Group as they are all related companies of Challice Limited, the majority shareholder of the Company.

All sales of goods have been made on an arm's length basis. The amounts outstanding are unsecured and will be settled in cash. No guarantees have been given or received. No provisions have been made for doubtful debts in respect of the amounts owed by related parties.

During the year, Mulberry Company (Design) Limited paid £867,000 towards the refurbishment and new shop-fit for Club 21 Pte Limited's new store in the Mandarin Gallery, Singapore. No amounts were outstanding in relation to this at the year end.

Remuneration of key management personnel

The remuneration of the Directors, who are the key management personnel of the Group, is set out below in aggregate for each of the categories specified in IAS 24 'Related Party Disclosures'. Further information about the remuneration of individual Directors is provided within the audited part of the Directors' remuneration report.

	2013 £'000	2012 £'000
Short-term employee benefits	1,638	2,326
Post-employment benefits	89	31
Share-based payments	573	215
	2,300	2,572

33. CONTROLLING PARTY

At the year end, Challice Limited controlled 56.14% of the issued share capital of the Company. The ultimate controlling parties of Challice Limited are Mr Ong Beng Seng and Mrs Christina Ong. As at the date of signing the financial statements, Challice Limited controlled 56.14% of the issued share capital of the Company.

Company financial statements

Contents

Independent auditor's report

to the members of Mulberry Group plc

We have audited the parent company financial statements of Mulberry Group plc for the year ended 31 March 2013 which comprise the parent company balance sheet and the related notes 34 to 45. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITOR

As explained more fully in the Directors' responsibilities statement, the Directors are responsible for the preparation of the parent company financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the parent company financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

SCOPE OF THE AUDIT OF THE FINANCIAL STATEMENTS

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the parent company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Annual Report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

OPINION ON FINANCIAL STATEMENTS

In our opinion the parent company financial statements:

- give a true and fair view of the state of the parent company's affairs as at 31 March 2013;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

OPINION ON OTHER MATTER PRESCRIBED BY THE COMPANIES ACT 2006

In our opinion the information given in the Directors' report for the financial year for which the financial statements are prepared is consistent with the parent company financial statements.

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

OTHER MATTERS

We have reported separately on the Group financial statements of Mulberry Group plc for the year ended 31 March 2013.

David Hedditch (Senior statutory auditor)
for and on behalf of Deloitte LLP
Chartered Accountants and Statutory Auditor
Bristol, United Kingdom
12 June 2013

Company balance sheet

At 31 March 2013

	Note	2013 £'000	2012 £'000
Fixed assets			
Tangible fixed assets	37	9,798	10,660
Investments	36	13,610	13,242
		23,408	23,902
Current assets			
Debtors	38	42,252	17,087
Creditors: amounts falling due within one year	39	(33,874)	(14,364)
Net current assets		8,378	2,723
Total assets less current liabilities		31,786	26,625
Provision for liabilities	40	(174)	(174)
Net assets		31,612	26,451
Capital and reserves			
Called up share capital	43	2,992	2,982
Share premium account	44	11,835	11,578
Own share reserve	44	(2,937)	(3,966)
Capital redemption reserve	44	154	154
Special reserve	44	4,187	4,187
Profit and loss account	44	15,381	11,516
Shareholders' funds	45	31,612	26,451

The financial statements of Mulberry Group plc (company number 01180514) were approved by the Board of Directors and authorised for issue on 12 June 2013. They were signed on its behalf by:

Bruno Guillon
Director

Roger Mather
Director

34. SIGNIFICANT ACCOUNTING POLICIES

Basis of accounting

The separate financial statements of the Company are presented as required by the Companies Act 2006 and have been prepared in accordance with applicable United Kingdom Accounting Standards and law. They have been prepared under the historical cost convention and under the going concern assumption. Further details of the Directors' considerations in relation to going concern are included in the Directors' report.

The principal accounting policies are summarised below. These have been applied consistently throughout the year and the preceding year.

Tangible fixed assets

Fixed assets are shown at cost less accumulated depreciation and any provision for impairment.

Depreciation is provided at rates calculated to write off the cost, less estimated residual value, of each asset on a straight-line basis over its expected useful life at the following rates per annum:

Freehold buildings	5% per annum
Short leasehold property	term of the lease
Fixtures and fittings	10% to 33% per annum

Freehold land is not depreciated.

Investments

Fixed asset investments in subsidiaries and associates are shown at cost less provision for impairment.

Financial liabilities and equity

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the Group after deducting all of its liabilities.

Equity instruments

Equity instruments issued by the Company are recorded as the proceeds received, net of direct issue costs.

Foreign exchange

Transactions denominated in foreign currencies are translated into Sterling at the rates ruling at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are translated at the rates ruling at that date. These translation differences are dealt with in the profit and loss account.

Pension costs

Payments to employees' personal pension plans are charged as an expense as they fall due.

Share-based payments

The Company participates in a number of executive and employee share schemes. For all grants of share options, the fair value as at the date of grant is calculated using the Black-Scholes model and the corresponding expense is recognised on a straight-line basis over the vesting period based on the Company's estimate of the proportion of the shares that will actually vest.

34. SIGNIFICANT ACCOUNTING POLICIES (continued)

Taxation

Current tax is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. Timing differences are differences between the Company's taxable profits and its results as stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the financial statements. A net deferred tax asset is regarded as recoverable and therefore recognised only when, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted. Deferred tax is measured at the average tax rates that are expected to apply in the periods in which the timing differences are expected to reverse, based on tax rates and laws that have been enacted or substantively enacted by the balance sheet date. Deferred tax is measured on a non-discounted basis. The taxation liabilities are reduced wholly or in part by the surrender of tax losses by fellow Group undertakings for which payment is made.

Cash flow statement

A cash flow statement has not been prepared as the consolidated financial statements include a consolidated cash flow statement.

35. PROFIT FOR THE YEAR

As permitted by Section 408 of the Companies Act 2006 the Company has elected not to present its own profit and loss account for the year. Mulberry Group plc reported a profit for the financial year ended 31 March 2013 of £7,653,000 (2012: £6,944,000).

The auditor's remuneration for audit and other services is disclosed within note 9 to the consolidated financial statements. The only employees of the Company are the Directors whose emoluments are disclosed in the Directors' remuneration report.

36. FIXED ASSET INVESTMENTS

	Subsidiaries shares £'000	Subsidiaries loans £'000	Total £'000
Cost			
At 1 April 2012	2,898	11,804	14,702
Additions	368	–	368
At 31 March 2013	3,266	11,804	15,070
Provision for impairment			
At 1 April 2012	1,460	–	1,460
Charge for the year	–	–	–
At 31 March 2013	1,460	–	1,460
Net book value			
End of year	1,806	11,804	13,610
Beginning of year	1,438	11,804	13,242

During the year, the Company established subsidiaries in Austria and Canada.

36. FIXED ASSET INVESTMENTS (continued)

The Company has investments in the following subsidiaries and associates which principally contributed to the profits or net assets of the Group:

	Country of incorporation	Principal activity	Holding of ordinary shares
Subsidiaries			
Mulberry Company (Design) Limited	England and Wales	Design and manufacture of clothing and fashion accessories in the UK	100%
Mulberry Company (France) SARL	France	Establishment and operation of retail stores in France	100%
Mulberry Company (Sales) Limited	England and Wales	Establishment and operation of retail stores in the UK	100%*
Mulberry Company (Europe) Limited	England and Wales	Intermediary holding company	100%
Mulberry Company (USA) Inc***	USA	Establishment and operation of retail stores in the USA	100%
Mulberry Group Plc Employee Share Trust	Guernsey	Operation of an employee share trust	100%
Mulberry Company (Germany) GmbH	Germany	Establishment and operation of retail stores in Germany	100%
Mulberry Company (Switzerland) GmbH	Switzerland	Establishment and operation of retail stores in Switzerland	100%
Mulberry Company (Austria) GmbH	Austria	Establishment and operation of retail stores in Austria	100%
Mulberry Company (Canada) Inc	Canada	Establishment and operation of retail stores in Canada	100%
Associates			
Mulberry Oslo AS**	Norway	Operation of a retail store in Oslo	50%*

* Owned by Mulberry Company (Europe) Limited
** Accounting reference date of 30 September
*** Previously called Kilver Street Inc

37. TANGIBLE FIXED ASSETS

	Freehold land and buildings £'000	Short leasehold land and buildings £'000	Fixtures and fittings £'000	Total £'000
Cost				
At 1 April 2012	5,909	6,696	840	13,445
Additions	219	277	47	543
Reclassification	137	(137)	–	–
At 31 March 2013	6,265	6,836	887	13,988
Depreciation				
At 1 April 2012	1,582	1,072	131	2,785
Charge for the year	236	1,037	132	1,405
At 31 March 2013	1,818	2,109	263	4,190
Net book value				
End of year	4,447	4,727	624	9,798
Beginning of year	4,327	5,624	709	10,660

Freehold land of £997,000 (2012: £997,000) has not been depreciated.

At 31 March 2013, the Company had entered into contractual commitments for the acquisition of property of £nil (2012: nil). There are no assets under the course of construction where depreciation has not yet commenced (2012: nil).

38. DEBTORS

	2013 £'000	2012 £'000
Amounts falling due within one year:		
Amounts owed by Group undertakings	41,893	16,827
Prepayments and accrued income	359	260
	42,252	17,087

Included within amounts owed by Group undertakings is £14,195,000 due after one year.

39. CREDITORS

	2013 £'000	2012 £'000
Amounts falling due within one year:		
Amounts owed to Group undertakings	29,296	6,877
Accruals and deferred income	4,578	7,487
	33,874	14,364

40. PROVISION FOR LIABILITIES

	2013 £'000	2012 £'000
Deferred tax - accelerated capital allowances	174	174

	£'000
Deferred tax liability at 1 April 2012	174
Charge for the year	–
Deferred tax liability at 31 March 2013	174

41. RELATED PARTY TRANSACTIONS

Details of related party transactions are provided in note 32 of the consolidated financial statements. The Company has taken advantage of the exemption in FRS 8 not to disclose details of transactions with other wholly owned Group companies.

42. CONTINGENT LIABILITIES

Mulberry Group plc has acted as a guarantor on various property leases entered into between its subsidiaries and third-party lessors. No amounts were outstanding at the year end in respect of such guarantees (2012: nil).

43. CALLED UP SHARE CAPITAL

	2013 £'000	2012 £'000
Authorised		
65,000,000 ordinary shares of 5p each (2012: 65,000,000)	3,250	3,250

	£'000	£'000
Issued and fully paid		
59,830,175 ordinary shares of 5p each (2012: 59,635,175)	2,992	2,982

The following share issues have been made during the year:

- On 5 July 2012, 20,000 5p ordinary shares were issued at nominal value to the Mulberry Group Plc Employee Share Trust for future share awards; and
- On 11 December 2012, 175,000 5p ordinary shares were issued at a premium of £1.47 per share for the exercise of share options.

The Company has granted 209,234 options in respect of 5p ordinary shares during the year (2012: nil).

44. RESERVES

	Share capital £'000	Share premium £'000	Own share reserve £'000	Capital redemption reserve £'000	Special reserve* £'000	Profit and loss account £'000
Balance at 1 April 2012	2,982	11,578	(3,966)	154	4,187	11,516
Profit for the year	–	–	–	–	–	7,653
Ordinary dividends paid	–	–	–	–	–	(2,906)
Charge for share-based payments	–	–	–	–	–	888
Exercise of share options	9	257	–	–	–	(1,770)
Issued share capital	1	–	–	–	–	–
Own shares	–	–	1,029	–	–	–
Balance at 31 March 2013	2,992	11,835	(2,937)	154	4,187	15,381

* Created as part of a capital restructuring of the Group in 2004.

The cumulative amount of goodwill resulting from acquisitions in earlier financial years which has been written off is £165,000 (2012: £165,000).

The own share reserve represents 1,286,243 5p ordinary shares (2012: 1,715,893) at a cost of £2,938,000 (2012: £3,966,000). The shares have been purchased in the market or issued as new shares by the Company, and are held by the Mulberry Group Plc Employee Share Trust to satisfy the deferred and matching shares under the Deferred Bonus Plan and Co-ownership Equity Incentive Plan.

45. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	£'000
Balance at 1 April 2012	26,451
Profit for the year	7,653
Ordinary dividends paid	(2,906)
Charge for share-based payments	888
Exercise of share options	(1,504)
Issued share capital	1
Own shares	1,029
Balance at 31 March 2013	31,612

Year ended 31 March 2013

Notice is given that the Annual General Meeting of Mulberry Group plc will be held at Mulberry Group plc's offices, 30 Kensington Church Street, London, W8 4HA on 4 September 2013 at 11 am for the following purposes:

ORDINARY BUSINESS:
To consider and, if thought fit, pass the following resolutions, which will be proposed as ordinary resolutions:

Adoption of financial statements

1. That the report of the Directors and the financial statements for the year ended 31 March 2013 together with the independent auditor's report be received and adopted.

Dividend declaration

2. To declare a final dividend of 5.0 pence per ordinary share for the year ended 31 March 2013.

Election of Directors

3. To elect Mr C O Cornu as a Director who, having been appointed since the last Annual General Meeting, offers himself for re-election in accordance with the Company's Articles of Association.

Re-election of retiring Directors

4. That Mr B L K Heng who retires as a Director by rotation in accordance with the Company's Articles of Association be re-elected as a Director.

5. That Mr S Grapstein who retires as a Director by rotation in accordance with the Company's Articles of Association be re-elected as a Director.

Appointment of auditors

6. That Deloitte LLP be re-appointed as auditors of the Company until the conclusion of the next general meeting before which accounts are laid and, that their remuneration be agreed by the Directors.

SPECIAL BUSINESS:
To consider and, if thought fit, pass the following resolutions, of which resolution 7 will be proposed as an ordinary resolution, and resolutions 8 and 9 will be proposed as special resolutions:

Directors' power to allot relevant securities

7. That, in substitution for any equivalent authorities and powers granted to the Directors prior to the passing of this resolution, the Directors be and they are generally and unconditionally authorised pursuant to Section 551 of the Companies Act 2006 ("the Act") to exercise all powers of the Company to allot shares in the Company, and grant rights to subscribe for or to convert any security into shares of the Company (such shares, and rights to subscribe for or to convert any security into shares of the Company being "relevant securities") up to an aggregate nominal amount of £997,170, provided that, unless previously revoked, varied or extended, this authority shall expire on the conclusion of the Annual General Meeting of the Company to be held in 2014, except that the Company may at any time before such expiry make an offer or agreement which would or might require relevant securities to be allotted after such expiry and the Directors may allot relevant securities in pursuance of such an offer or agreement as if this authority had not expired.

Waiver of statutory pre-emption rights

8. That the Directors be and they are empowered pursuant to Section 570(1) of the Act to allot equity securities (as defined in Section 560(1) of the Act) of the Company wholly for cash pursuant to the authority of the Directors under Section 551 of the Act conferred by resolution 7 above, and/or by way of a sale of treasury shares (by virtue of Section 573 of the Act), in each case as if Section 561(1) of the Act did not apply to such allotment, provided that:

   (a) the power conferred by this resolution shall be limited to:

      (i) the allotment of equity securities in connection with an offer of equity securities to the holders of ordinary shares in the capital of the Company in proportion as nearly as practicable to their respective holdings of such shares, but subject to such exclusions or other arrangements as the Directors may deem necessary or expedient to deal with fractional entitlements or legal or practical problems arising under the laws or requirements of any overseas territory or by virtue of shares being represented by depository receipts or the requirements of any regulatory body or stock exchange or any other matter whatsoever; and

      (ii) the allotment, otherwise than pursuant to sub-paragraph (i) above, of equity securities up to an aggregate nominal value equal to £149,575; and

   (b) unless previously revoked, varied or extended, this power shall expire on the conclusion of the Annual General Meeting of the Company to be held in 2014 except that the Company may before the expiry of this power make an offer or agreement which would or might require equity securities to be allotted after such expiry and the Directors may allot equity securities in pursuance of such an offer or agreement as if this power had not expired.

Authority to purchase ordinary shares (market purchases)

9. That the Company be and is hereby unconditionally and generally authorised for the purposes of Section 701 of the Act to make market purchases (within the meaning of Section 693(4) of the Act) of its ordinary shares of 5p each ("Ordinary Shares") provided that:

   (a) the maximum number of Ordinary Shares authorised to be purchased is 2,991,509;

   (b) the minimum price which may be paid for any such Ordinary Share is 5p;

   (c) the maximum price which may be paid for an Ordinary Share shall be an amount equal to 105% of the average middle market prices for an Ordinary Share as derived from the London Stock Exchange Daily Official List for the five business days immediately preceding the day on which the Ordinary Share is contracted to be purchased; and

   (d) this authority shall, unless previously renewed, revoked or varied, expire on the earlier of the date falling 18 months after the date of the passing of this resolution and the conclusion of the Annual General Meeting of the Company to be held in 2014, but the Company may enter into a contract for the purchase of Ordinary Shares before the expiry of this authority which would or might be completed (wholly or partly) after its expiry.

By order of the Board

Kate Anthony Wilkinson
Secretary
12 June 2013

Registered office: The Rookery, Chilcompton, Bath, Somerset, BA3 4EH

Notes:

1. All members holding ordinary shares are entitled to attend, speak and vote at the meeting. Such members may appoint a proxy to attend, speak and vote instead of them. A proxy need not also be a member of the Company but must attend the AGM in order to represent his appointer. A member may appoint more than one proxy provided each proxy is appointed to exercise rights attached to different shares (so a member must have more than one share to be able to appoint more than one proxy). A form of proxy is enclosed. The notes to the form of proxy include instructions on how to appoint the Chairman of the AGM or another person as proxy and how to appoint a proxy electronically or by using the CREST proxy appointment service. To be effective the form must reach the Company's registrar, Computershare Investor Services PLC at The Pavilions, Bridgwater Road, Bristol BS99 6ZY by 11 am on 2 September 2013.

2. Pursuant to regulation 41 of the Uncertificated Securities Regulations 2001, the Company specifies that only those persons registered in the register of members of the Company at 6.00 pm on 2 September 2013 (or if the AGM is adjourned, 48 hours before the time fixed for the adjourned AGM) shall be entitled to attend and vote at the AGM in respect of the number of shares registered in their name at that time. Any changes to the register of members after such time shall be disregarded in determining the rights of any person to attend or vote at the AGM.

3. Please note that communications regarding the matters set out in this Notice of Annual General Meeting will not be accepted in electronic form other than as specified in the enclosed form of proxy.

4. As at 12 June 2013 (being the last business day prior to the publication of this Notice) the Company's issued share capital consists of 59,830,175 ordinary shares, carrying one vote each. Therefore, the total voting rights in the Company as at 12 June 2013 are 59,830,175.

5. The following documents are available for inspection at the registered office of the Company during the usual business hours on any weekday (Saturday, Sunday or public holidays excluded) from the date of this Notice until the conclusion of the AGM and will also be available for inspection at the place of the AGM from 10.45 am on the day of the AGM until its conclusion:

   (a) the register of Directors' interests in the shares of the Company; and

   (b) copies of the Executive Directors' service contracts with the Company and letters of appointment of the Non-Executive Directors.

Explanatory notes to the Special Business to be transacted at the meeting

Resolution 7 – Directors' power to allot relevant securities

Resolution 7, which will be proposed as an ordinary resolution, grants the Directors authority to allot shares in the capital of the Company and other relevant securities up to an aggregate nominal value of £997,170, representing approximately one-third of the nominal value of the issued ordinary share capital of the Company as at 12 June 2013, being the latest practicable date before publication of this Notice. The Directors do not have any present intention of exercising the authorities conferred by this resolution but they consider it desirable that the specified amount of unissued share capital is available for issue so that they can more readily take advantage of possible opportunities in the future.

Unless revoked, varied or extended, this authority will expire at the conclusion of the next Annual General Meeting of the Company or the date falling 18 months from the passing of the resolution, whichever is the earlier.

Resolution 8 – waiver of statutory pre-emption rights

Resolution 8, which will be proposed as a special resolution, authorises the Directors in certain circumstances to allot equity securities for cash other than in accordance with statutory pre-emption rights (which require a company to offer all allotments for cash first to existing shareholders in proportion to their holdings). The relevant circumstances are either where the allotment takes place in connection with a rights issue or the allotment is limited to a maximum nominal amount of £149,575, representing approximately 5% of the nominal value of the issued ordinary share capital of the Company as at 12 June 2013, being the latest practicable date before publication of this Notice. Unless revoked, varied or extended, this authority will expire at the conclusion of the next AGM of the Company or 18 months after the passing of the resolution, whichever is the earlier.

The Company may hold any shares it buys back "in treasury" and then sell them at a later date for cash rather than simply cancelling them. Any such sales are required to be made on a pre-emptive, pro-rata basis to existing shareholders unless shareholders agree by special resolution to disapply such pre-emption rights. Accordingly, in addition to giving the Directors power to allot unissued ordinary shares on a non pre-emptive basis, resolution 8 will also give the Directors power to sell ordinary shares held in treasury on a non pre-emptive basis, subject always to the limitations noted above.

The Directors consider that the power proposed to be granted by resolution 8 is necessary to retain flexibility in relation to the management of the Company's share capital, although they do not have any intention at the present time of exercising such power.

Resolution 9 – authority to purchase ordinary shares (market purchases)

Resolution 9, which will be proposed as a special resolution, authorises the Directors to make market purchases of up to 2,991,509 ordinary shares (representing approximately 5% of the Company's issued ordinary shares as at 12 June 2013, being the latest practicable date before publication of this Notice). Shares so purchased may be cancelled or held as treasury shares as noted above. The authority will expire at the end of the next Annual General Meeting of the Company or 18 months from the passing of the resolution, whichever is the earlier. The Directors intend to seek renewal of this authority at subsequent Annual General Meetings.

The minimum price that can be paid for an ordinary share is 5p, being the nominal value of an ordinary share. The maximum price that can be paid is 5% over the average of the middle market prices for an ordinary share, derived from the Daily Official List of the London Stock Exchange, for the five business days immediately before the day on which the share is contracted to be purchased.

The Directors intend to exercise this right only when, in light of the market conditions prevailing at the time and taking into account all relevant factors (for example, the effect on earnings per share), they believe that such purchases are in the best interests of the Company and shareholders generally. The overall position of the Company will be taken into account before deciding upon this course of action. The decision as to whether any such shares bought back will be cancelled or held in treasury will be made by the Directors on the same basis at the time of the purchase.

Group five-year summary

Year ended 31 March 2013

	2009 £'000	2010 £'000	2011 £'000	2012 £'000	2013 £'000
Results					
Revenue	58,585	72,052	121,645	168,451	165,130
Operating profit	3,930	4,856	23,010	35,417	25,531
Profit before tax	4,177	5,096	23,345	36,001	26,026
Profit attributable to equity holders	2,581	2,972	17,063	25,301	18,693
Assets employed					
Non-current assets	11,694	10,760	20,620	28,553	39,716
Current assets	24,572	29,524	55,967	74,751	71,789
Current liabilities	(11,750)	(13,819)	(34,555)	(40,815)	(32,796)
Non-current liabilities	(132)	-	-	(26)	–
Net assets	24,384	26,465	42,032	62,463	78,709
Key statistics					
Earnings per share	4.5p	5.2p	29.8p	43.9p	32.2p
Diluted earnings per share	4.5p	5.2p	29.1p	43.4p	32.0p

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